

A G E N D A

UTAH BOARD OF WATER RESOURCES

Weber Basin Water Conservancy District
2837 East Highway 193
Layton, Utah

June 12, 2003

8:30 a.m.

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES - April 24 & 25, 2003
- III. CHAIR'S REPORT
- IV. DROUGHT REPORT - Todd Adams
- V. FEASIBILITY REPORTS
 - E104 Tropic & East Fork Irr. Co. Garfield
 - E105 West Panguitch Irr. & Res. Co. Garfield
 - L546 West Point City Davis
- VI. COMMITTAL OF FUNDS
 - E112 Davis & Weber Counties Canal Co. Davis
- VII. DAM SAFETY CONSTRUCTION FUNDING
 - C023 Consolidated Sevier Bridge Res. Co. Juab
- VIII. SPECIAL ITEMS
 - D887 Carbonville Ditch Co. (Withdrawal) Carbon
 - D962 Croydon Pipeline Co. (Withdrawal) Morgan
 - D969 East Carbon City (Withdrawal) Carbon
 - E065 Marion Park Estates (Withdrawal) Summit
 - E087 Richland Nonprofit Water Co. Rich
 - (Feas. Rep. & Comm. of Funds)
- IX. ELECTION OF OFFICERS
- X. DIRECTOR'S REPORT
- XI. OTHER ITEMS
- XII. NEXT BOARD MEETING- August 7&8, 2003- Cedar/Beaver Basin Area
- XIII. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES
Weber Basin Water Conservancy District
2837 East Highway 193
Layton, Utah

June 11, 2003

3:30 p.m.

- | | | |
|------|--------------------------------|-------------------|
| I. | WELCOME/CHAIR'S REPORT | Chairman Peterson |
| II. | DISCUSSION OF STAFF ACTIVITIES | |
| III. | DISCUSSION OF PROJECTS | Board/Staff |
| IV. | OTHER ITEMS | |

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status June 12, 2003

Funds Available for Projects This FY	\$ 6,565,000
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Projects Contracted This FY

1 Redmond Lake Irr Co	E072		\$ 61,000	
2 Brady Ditch Irr Co	E073		60,000	
3 East Bench Irr Co	E079		445,000	
4 Fremont Waterworks Co	E057		150,000	
5 Deseret Irr Co (Ph II)	E101		88,000	
6 East Bench Canal Co	E032		164,000	
7 Fountain Green Irr Co	E042		230,000	
8 Callao Irr Co (Amend)	E008		32,000	
9 Piute Res & Irr Co (Piute Dam)	C022	Grant **	2,752,500	
10 Piute Res & Irr Co (Piute Dam)	C022	Loan **	197,500	
11 Consolidated Sevier Bridge Res Co	C023	Grant **	650,000	
12 San Juan WCD (Recapture Dam)	C026	Grant **	2,020,000	
Contracts for Dam Safety Studies		**	89,000	

Total Funds Contracted	\$ 6,939,000
Funds Balance	\$ (374,000)

Projects with Funds Committed

1 Parowan West Fields Irr Co	E044		\$ 15,200	
2 Marion Waterworks Co	E053		320,000	
3 Lake Shore Irr Co	E106		141,000	
4 Kays Creek Irr Co (Adams Dam) Amd	C001	Grant **	4,000	
* 5 Consolidated Sevier Bridge Res Co	C023	Grant **	3,625,000	
Commitments for Dam Safety Studies		**	161,000	
Total Funds Committed			\$ 4,266,000	
Funds Balance			\$ (4,640,000)	

Projects Authorized

1 Beaver Bench Irr Co	D918		\$ 280,000	
2 North Canyon Irr Co	D955		315,000	
3 Deseret Irr Co	E056		432,000	
4 Porcupine Highline Canal Co	E062		85,000	
5 Bear River Canal Co	E097		489,000	
* 6 West Panguitch Irr & Res Co	E105		137,000	
Total Funds Authorized			\$ 1,738,000	
Remaining Funds Available			\$ (6,378,000)	

* To be presented at Board Meeting

** Dam Safety Projects

BOARD OF WATER RESOURCES

Cities Water Loan Fund

**Funding Status
June 12, 2003**

Funds Available for Projects This FY	\$ 2,297,000
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Bonds Closed This FY

1 Alpine Cove Water SSD	D930	\$ 460,616	
2 Metropolitan Water Dist of Pleasant Grove City	E081	12,000	
3 Roy Water Conservancy Subdistrict	E085	19,000	
4 Centerville City	E086	16,000	
5 Hanna Water & Sewer District	D983	<u>1,371,000</u>	
Total Bonds Closed			\$ 1,879,000
Funds Balance			\$ 418,000

Projects with Funds Committed

1		\$ -	
Total Funds Committed			\$ -
Funds Balance			\$ 418,000

Projects Authorized

1 Trenton Town	L534	\$ 1,304,000	
Total Funds Authorized			\$ 1,304,000
Remaining Funds Available			\$ (886,000)

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

Conservation & Development Fund

Funding Status June 12, 2003

Funds Available for Projects This FY \$ 11,151,000

Projects Contracted/Bonds Closed This FY

1 Price City	L540	\$ 2,885,000
2 Washington County WCD	E092	75,000
3 Weber Basin WCD	E093	150,000
4 Jordan Valley WCD	E094	150,000
5 Gunnison City	E088	477,000
6 Midway Irr Co	E064	350,000
7 Tooele County	E080	700,000
8 Elsinore Town	L545	514,000
9 Hooper Irr Co (Press Irr, Ph 1)	E060	2,677,000
10 Magna Water Co an Improvement District	E068	<u>815,000</u>

Total Funds Contracted/Closed	<u>\$ 8,793,000</u>
Funds Balance	\$ 2,358,000

Projects with Funds Committed

1 Midway Irr Co	E064	\$ 2,064,000
2 Taylor-West Weber WID	E095	825,000
3 Town of Brian Head	L541	1,700,000
4 Centerville City	L544	1,142,000
5 Wolf Creek Water Conservancy Inc.	E089	611,000
6 Lake Creek Irr Co (Ph 1)	E102	22,500
7 Weber Basin WCD (Secondary Irr, Ph II)	E108	648,000
* 8 Davis & Weber Counties Cnl Co (Ph 4)	E112	545,000
* 9 Richland Nonprofit Water Co	E087	<u>335,000</u>

Total Funds Committed	<u>\$ 7,893,000</u>
Funds Balance	\$ (5,535,000)

Projects Authorized

1 Uintah WCD (Red Wash)	D730	\$ 1,940,000
2 Strawberry High Line Canal Co	D976	3,187,000
3 Kanab Irr Co	D968	62,000
4 Center Creek Culinary Water Co	E020	450,000
5 Uintah WCD (Island Ditch)	E036	720,000
6 Mountain Regional Water SSD	E040	1,675,000
7 New Santa Clara Field Canal Co	E069	930,000
8 Johnson Water District	E070	659,000
9 Ephraim Irr Co	E061	1,155,000
10 City of Cedar Hills	E099	31,200
11 Lake Creek Irr Co (Ph II)	E102	300,000
* 12 Tropic & East Fork Irr Co	E104	820,000
* 13 West Point City	L456	<u>410,000</u>

Total Funds Authorized	<u>\$ 12,339,000</u>
Remaining Funds Available	\$ (17,874,000)

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

June 12, 2003

ADDITIONAL ACTIVE PROJECTS		Fund	Est. Board Cost	Total Cost
Authorized or Committed Projects				
1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D	\$ 10,379,000	\$ 12,211,000
2 Central Utah WCD (Prepay FY98,99,00)	D960	C&D	3,000,000	3,000,000
3 Washington County WCD (Ivins)	D925	C&D	1,390,000	5,100,000
4 Weber Basin WCD (Secondary Irr, Ph 3-5)	E029	C&D	27,721,000	32,613,000
5 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D	18,230,000	21,447,000
6 Hooper Irr Co (Press Irr, Ph 2-4)	E060	C&D	13,898,000	16,350,000
Subtotal			\$ 74,618,000	\$ 90,721,000
Projects Under Investigation				
1 Downs Ditch Water Co	D899	RCF	\$ 7,500	\$ 10,000
2 Keith Johnson	D996	RCF	37,500	50,000
3 Mayfield Irr Co	E067	RCF	187,500	250,000
4 Rock Dam Irr Co	E083	RCF	37,500	50,000
5 Pioneer Land & Irr Co	E107	RCF	52,500	70,000
6 Summit County Service Area #3	E045	CWL	414,750	553,000
7 Woodruff Irrigating Co	D680	C&D	600,000	800,000
8 Kane County WCD	D828	C&D	1,500,000	2,000,000
9 Uintah WCD (Leota Bench)	D944	C&D	750,000	1,000,000
10 Gunnison Butte Mutual Irr Co	E004	C&D	1,254,000	1,475,000
11 Town of Altamont	E012	C&D	142,500	190,000
12 City of South Jordan	E034	C&D	2,253,000	3,004,000
13 Hyrum Blacksmith Fork Irr Co	E047	C&D	2,025,000	2,700,000
14 East Juab County WCD	E071	C&D	375,000	500,000
15 New Escalante Irr Co	E077	C&D	5,625,000	7,500,000
16 Ferron Canal & Res Co	E082	C&D	-	-
17 Whiterocks Irr Co	E084	C&D	1,500,000	2,000,000
18 Parowan City	E090	C&D	204,000	272,000
19 Logan, Hyde Park, Smithfield Canal Co	E096	C&D	1,301,250	1,735,000
20 Newton Water Users Association	E100	C&D	1,001,250	1,335,000
21 Centerfield Town	L547	C&D	1,986,000	2,648,000
* 22 Town of Goshen	E109	C&D	240,000	320,000
Subtotal			\$ 21,494,250	\$ 28,462,000
TOTAL			\$ 96,112,250	\$ 119,183,000

* New Applications

BOARD OF WATER RESOURCES

June 12, 2003

Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Upper Sevier River WCD	E098

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **E-104**

Received: 11/8/02

Approved: 12/20/02

To be Presented at the June 12, 2003 Board Meeting

SPONSOR: **TROPIC & EAST FORK IRRIGATION COMPANY**

President: Franz Shakespear

LOCATION: The proposed project is located near Bryce Canyon National Park, about six miles northwest of the Town of Tropic in Garfield County.

EXISTING CONDITIONS & PROBLEMS: The sponsor provides pressurized irrigation water to approximately 1,700 acres of farmland in the vicinity of Tropic and on the Paunsaugunt Plateau north of Ruby's Inn, near Bryce Canyon National Park.

Water is diverted from the East Fork of the Sevier River into the Tropic & East Fork Canal, which carries it about seven miles to Water Canyon where it flows on to Tropic Canyon and is then diverted into the sponsor's irrigation system. The upper two miles or so of canal were lined in 1962 with non-reinforced concrete, which is badly broken up and deteriorated; the remaining stretch of canal is unlined. The sponsor estimates that nearly half (approximately 3,000 acre-feet) of diverted water is lost to seepage annually.

PROPOSED PROJECT: The sponsor is requesting technical and financial assistance from the board to replace the Tropic & East Fork Canal with nearly seven miles of 30-inch PVC pipeline. The work will be accomplished in two phases: Phase I will replace the upper 2 1/3 miles of canal, and Phase II the remainder.

The project fits in Prioritization Category 3
(agricultural project that will provide significant
economic benefit to area).

COST ESTIMATE: The following cost estimate is based on staff's
preliminary design:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
PHASE I				
1.	Mobilization	LS	\$20,000	\$ 20,000
2.	Diversion Structure	LS	16,000	16,000
3.	30-inch PVC Pipe	12,400 LF	36.00	446,400
4.	Turnouts	LS	10,000	10,000
5.	Air Vents	LS	24,000	<u>24,000</u>
Construction Cost				\$516,400
Contingencies				51,600
Legal and Administrative				9,000
Design and Construction Engineering				<u>58,000</u>
Subtotal				\$635,000
PHASE II				
				\$ 27,000
1.	Mobilization	LS	\$27,000	795,600
2.	30-inch PVC Pipe	22,100 LF	36.00	10,000
3.	Turnouts	LS	10,000	22,000
4.	Air Vents	LS	22,000	<u>6,000</u>
5.	Road Crossings	LS	6,000	
Construction Cost				\$860,600
Contingencies				86,400
Legal and Administrative				15,000
Design and Construction Engineering				<u>93,000</u>
Subtotal				\$1,055,000
TOTAL				\$1,690,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment for the
entire project are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$820,000	49%
Upper Sevier River WCD	790,000	46
Sponsor	<u>80,000</u>	<u>5</u>
TOTAL	\$1,690,000	100%

Upper Sevier River Water Conservancy District will receive its funds (grant) from Central Utah Water Conservancy District through Section 206. The grant amount is computed as 75% of the cost of Phase II.

If the board authorizes the project, it is suggested it be purchased at 1.5% interest over approximately 25 years with annual payments of \$40,000.

The project will be built in two phases, in part because no grant funds are available for Phase I, and because of certain environmental issues on that phase. The proposed purchase agreement is for the entire project, with terms for each phase to be detailed in future committal of funds reports.

ECONOMIC FEASIBILITY:

Benefits from the proposed project consist of the annual increased net income (\$79,000) farmers will realize as a result of increased water conveyance efficiency, and reduced operation and maintenance costs (\$5,000). When annual benefits are discounted to present worth and divided by total discounted project costs, the benefit/cost ratio is 0.89.

FINANCIAL FEASIBILITY:

Benefits from installing the project are estimated as the value of 3,000 acre-feet of agricultural water annually, plus savings in canal operation and maintenance costs:

Annual Benefit of Water Savings	\$79,000
Annual Reduction of Canal O&M	5,000
Less Estimated Project O&M Costs	<u>-1,200</u>
ANNUAL NET BENEFIT	\$82,800

With the proposed board share of the project being 49%, it is suggested the sponsor's initial repayment ability be calculated as approximately 49% of the annual net benefit, or \$40,000 per year. This is equivalent to \$23.53 per acre.

BENEFITS: The proposed project will eliminate approximately 3,000 acre-feet of seepage loss annually, and also canal operation and maintenance costs.

PROJECT SPONSOR: The Tropic & East Fork Irrigation Company was organized around 1880, incorporated February 8, 1943, and is currently registered in good standing with the state Department of Commerce. Its 13,831 shares are owned by 150 shareholders currently assessed around \$1 per share for annual O&M, plus extra for existing loan payments.

The sponsor has received financial assistance from the board on four previous occasions. In 1962 it received \$29,000 for concrete lining of the upper 2.3 miles of canal on the Paunsaugunt Plateau, and in 1979 it received \$98,000 for repair of the Tropic Reservoir spillway; both of these projects have been purchased from the board. In 1987 the sponsor received \$212,000 for a sprinkle irrigation system, and in 1990 received \$351,000 for an irrigation transmission pipeline and sprinkle distribution project; these will be paid off in 2004 and 2010, respectively.

WATER RIGHTS & SUPPLY: The Tropic & East Fork Irrigation Company was awarded waters of the East Fork of the Sevier River by the Cox Decree. This award consists of 20 cfs from April 1 to June 1, 15 cfs from June 1 to October 15, and 540 acre-feet of storage in Tropic Reservoir. The sponsor also owns rights to several other water sources originating in the Tropic area. Title to these water rights is currently held by the board as security for previous financial assistance.

EASEMENTS: The proposed pipeline will remain in the canal alignment as it crosses National Forest ground; permits from the Forest Service must be obtained before installation of the pipeline begins. It is anticipated the pipeline will leave the present canal alignment much of the way across private ground; easements will be obtained for those reaches.

The project will not encroach upon Bryce Canyon National Park.

ENVIRONMENTAL: Seepage water currently lost from the canal will be contained, affecting groundwater immediately below it.

Because of increased system efficiency, there is a potential for decreased diversions from the East Fork of the Sevier River during wetter than average years, thus enhancing river flows.

WATER
CONSERVATION: An estimated 3,000 acre-feet of seepage will be eliminated annually. This water will be used during dry years to reduce shortages throughout the sponsor's service area.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties and easements required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
3. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.

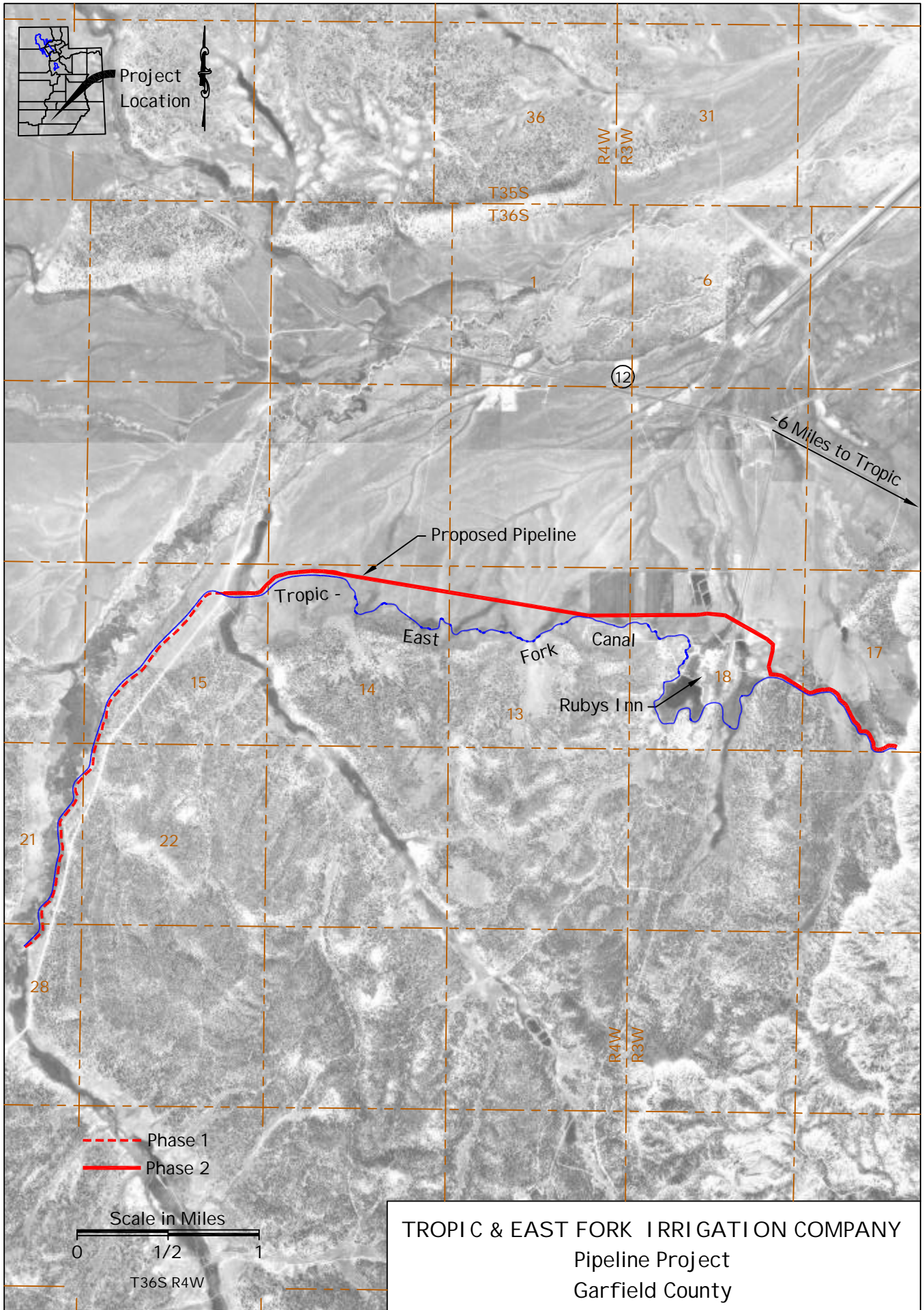
c. The company has obtained all permits required for the project.

4. Have an attorney give the Board of Water Resources a written legal opinion that the company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, and land necessary for the project.

5. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

PROJECT	President:	Franz Shakespear
CONTACT		PO Box 5
PEOPLE:		Tropic, UT 84776
		Phone: (435) 679-8749
	Secretary:	Ferrell Brinkerhoff
		341 West 100 South
		Tropic, UT 84776
		Phone: (435) 679-8765



BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: **E-105**
Received: 11/8/02
Approved: 12/20/02

To be Presented at the June 12, 2003 Board Meeting

SPONSOR: ***WEST PANGUITCH IRRIGATION & RESERVOIR COMPANY***

President: Mack Hatch

LOCATION: The proposed project is located northwest of Panguitch City in Garfield County.

EXISTING CONDITIONS & PROBLEMS: The sponsor has a decreed right to irrigate approximately 4,400 acres in and around Panguitch, with the number of acres irrigated each year dependent on the water supply. Water is stored in Panguitch Lake and released into Panguitch Creek, where it is diverted into several distribution systems. Over half the land is sprinkle irrigated and the rest flood irrigated. Irrigators experience a water shortage much of the time and are looking for ways to reduce water losses.

The 12-mile long, earthen West Panguitch Canal serves farmland west and northwest of the city. The sponsor estimates about 25% of the water diverted into the canal is lost to seepage, with loss in the last half of the canal being the greatest. Weeds growing in the canal also increase maintenance.

Approximately 1,220 acres are irrigated from the last half of the canal, 350 of which are flood irrigated. It is anticipated that if the canal were piped, the flood irrigated acres would be converted to sprinklers, and an additional 300 acres currently not irrigated would be put under cultivation. Some of those currently sprinkling use canal water pressurized by booster pumps.

PROPOSED
PROJECT:

The sponsor is requesting technical and financial assistance from the board to pipe a portion of the West Panguitch Canal. The proposed project includes modification of an existing regulating pond and installation of 3 1/4 miles of pipeline with 18 turnouts, and will serve approximately 1,500 acres.

The project fits in Prioritization Category 3 (agricultural project that will provide significant economic benefit to area).

COST ESTIMATE:

The following cost estimate is based on staff's preliminary design:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit</u> <u>Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$22,000	\$22,000
2.	Pond Modification	LS	20,000	20,000
3.	PVC Pipe			
	a. 27-inch	4,500 LF	32.00	144,000
	b. 24-inch	6,700 LF	28.00	187,600
	c. 18-inch	5,100 LF	20.00	102,000
	d. 12-inch	900 LF	15.00	13,500
4.	Turnouts	LS	64,000	64,000
5.	Air Vents	LS	9,000	9,000
6.	Drains	LS	14,000	<u>14,000</u>
Construction Cost				\$576,100
Contingencies				57,900
Legal and Administrative				11,000
Design and Construction Engineering				<u>63,000</u>
TOTAL				\$708,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$137,000	19%
Upper Sevier River WCD	531,000	75
Sponsor	<u>40,000</u>	<u>6</u>
TOTAL	\$708,000	100%

Upper Sevier River Water Conservancy District will receive its funds (grant) from Central Utah Water Conservancy District through Section 206.

If the board authorizes the project, it is suggested it be purchased at 0% interest over approximately 11 years with annual payments of \$9,000 the first year, \$11,000 the second, and \$13,000 thereafter.

Proposed annual payments reflect increasing benefits as flood irrigated fields are converted to sprinklers and additional ground is put into production.

ECONOMIC
FEASIBILITY:

Benefits from the proposed project consist of the annual increased net income (\$85,000) farmers will realize as a result of increased water conveyance and application efficiencies, and reduced operation, maintenance, and pumping costs (\$4,000). When annual benefits over a 50-year project life are discounted to present worth and divided by total discounted project costs, the benefit cost ratio is 1.16.

FINANCIAL
FEASIBILITY:

Benefits from installing the project are estimated as revenue generated from increased crop production on land currently farmed and that to be put into production, and reduced operation, maintenance, and pumping costs:

Annual Benefit of Increased	
Crop Production	\$85,000
Annual Reduction of O&M Costs	1,500
Annual Reduction of Pumping Costs	2,500
Less Annual Cost of On-farm	
Pipelines & Equipment	-46,000
ANNUAL NET BENEFIT	\$43,000

The proposed annual payment to the board would normally be computed by multiplying annual net benefit by the board's share of the project (\$43,000 X 19% = \$8,200). In this case, however, since the sponsor will receive a large percentage of the project cost as a grant, staff recommends repayment be accelerated as shown in the proposed repayment schedule.

To pay for the project, the sponsor is considering assessing all company shares a small fee and those under the project an additional amount per share.

BENEFITS:

The proposed project will conserve approximately 1,200 acre-feet of water annually which will be used throughout the sponsor's service area to reduce

shortages and also irrigate 300 acres currently not cultivated. Operation and maintenance costs related to the West Panguitch Canal will be reduced, as will pumping costs.

PROJECT
SPONSOR:

The West Panguitch Irrigation and Reservoir Company was incorporated in 1906 and is currently registered in good standing with the state Department of Commerce. Its 5,700 shares are owned by 370 shareholders currently assessed around \$4 per share for annual O&M.

The sponsor has received financial assistance from the board on five previous occasions. In 1975 it received \$28,400 for repairs to Panguitch Lake Dam and in 1979, 1983, and 1985 received a total of \$305,000 for sprinkle irrigation projects; these four projects have been purchased from the board. In 1998 the company received a 50% grant in the amount of \$25,000 for Panguitch Lake Dam dam safety studies.

WATER RIGHTS
& SUPPLY:

The sponsor's water rights, described in the Cox Decree, cover the major portion of the flow of Panguitch Creek and allow the irrigation of approximately 4,400 acres. Since final payment on the sponsor's 1985 project was just recently made, title to these rights is presently retained by the board.

The sponsor must ensure that all project lands, including the 300 "new" acres, fall within its water rights and complete change applications, if required, with the State Engineer.

EASEMENTS:

The proposed pipeline will not follow the existing canal alignment so easements across privately owned land will need to be obtained.

ENVIRONMENTAL:

Seepage water from a portion of the West Panguitch Canal will be eliminated, affecting groundwater immediately below it. The pipeline will be installed primarily across previously cultivated land, so no long-term environmental impact is foreseen.

WATER
CONSERVATION:

The proposed pipeline will conserve an estimated 1,200 acre-feet annually which will be used throughout the sponsor's service area.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain approval of State Engineer to change place of use, if required.

2. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.

3. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:

a. Assign properties and easements required for the project to the Board of Water Resources.

b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.

4. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.

b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.

c. The company has obtained all permits required for the project.

5. Have an attorney give the Board of Water Resources a written legal opinion that:

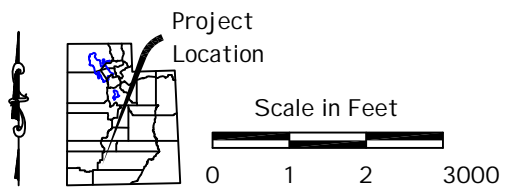
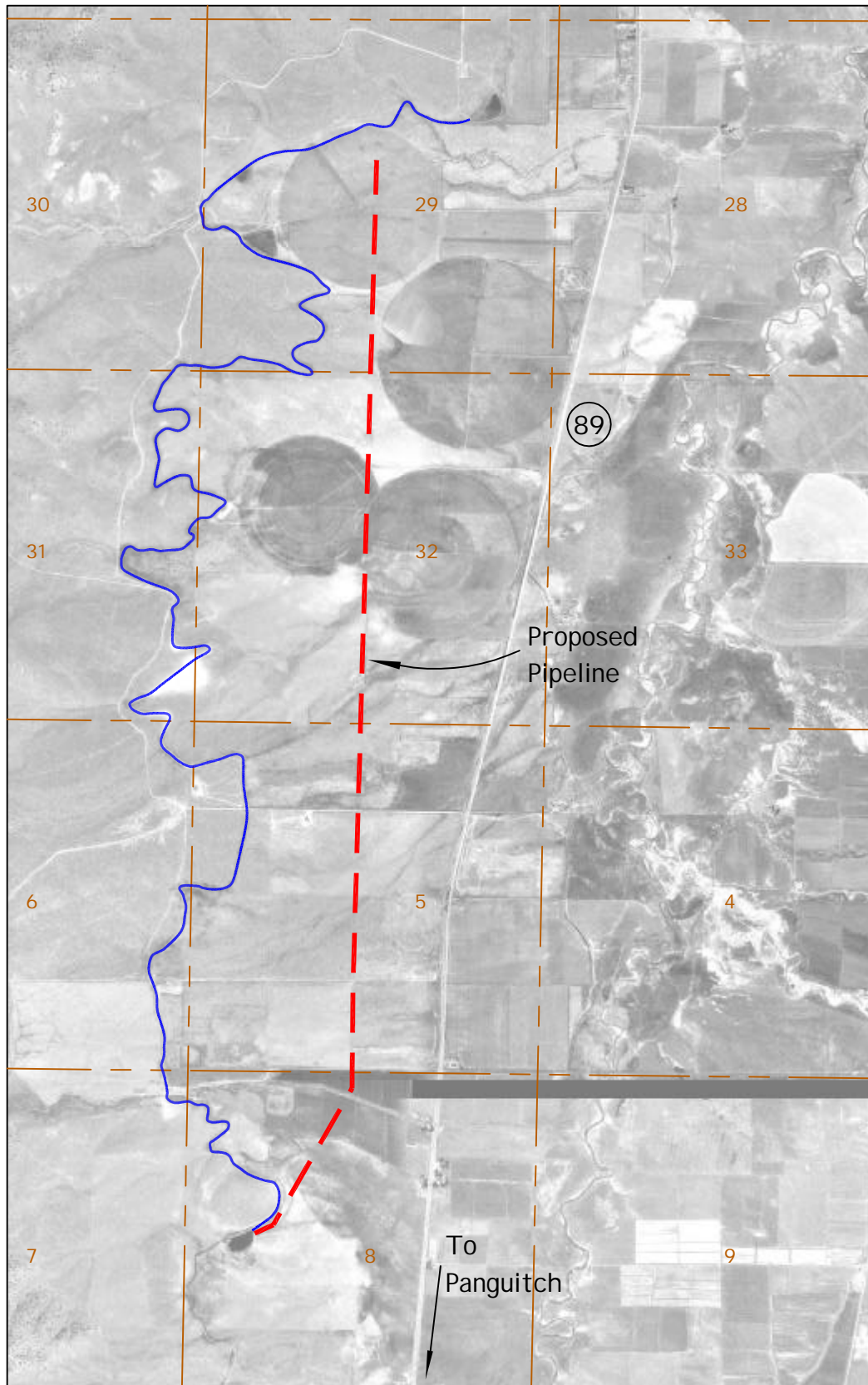
a. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

b. The company's water rights applicable to the project cover the land to be irrigated by it.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

6. Review and update the company's water management and conservation plan, and obtain approval of it from the Division of Water Resources.

PROJECT	President:	Mack Hatch
CONTACT		PO Box 186
PEOPLE:		Panguitch, UT 84759
		Phone: (435) 691-0848
	Secretary:	Lucile Proctor
		PO Box 441
		Panguitch, UT 84759
		Phone: (435) 676-2294



T34S: R5W

WEST PANGUITCH IRRIGATION AND RESERVOIR COMPANY Pipeline Project Garfield County

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **L-546**

Received: 1/10/03

Approved: 1/31/03

To be Presented at the June 12, 2003 Board Meeting

SPONSOR: **WEST POINT CITY**

Mayor:

John Petroff

LOCATION: The proposed project is located in West Point City, about two miles west of Clearfield in Davis County.

EXISTING
CONDITIONS
& PROBLEMS:

West Point currently supplies culinary water, through a system rated "Approved" by the Division of Drinking Water, to 1,580 connections. Since most residents also receive pressurized secondary irrigation water (from a system completed in the mid-1990s), most culinary water is used indoors.

The culinary system is supplied by two wells and with water from Weber Basin Water Conservancy District. Storage consists of a city-owned million gallon tank plus a 6.6% share (99,000 gallons) of a 1.5 million gallon tank of Weber Basin's. Although the system is adequate to meet current demands, additional storage will be necessary as growth continues (city is issuing 10-12 building permits/month). Also, the city anticipates annexing 300 culinary connections in Davis County presently served by Hooper Water Improvement District (about 10% of those it serves). If an agreement is reached between the city and Improvement District, only the city will serve those connections.

The city has prepared a master plan outlining culinary water projects that will help the system grow from a current service capacity of 7,500 people, to 26,000 people at buildout within 20 years.

PROPOSED
PROJECT:

The city is requesting financial assistance from the board to construct a two million gallon concrete storage tank with booster pumping station (to deliver water into the culinary system at pressure), and install pipeline to connect it to the existing system. Technical assistance is being provided by Gardner Engineering in Ogden.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE:

The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$20,000	\$ 20,000
2.	Earthwork	5,000 CY	6.00	30,000
3.	Gravel Backfill	500 CY	4.00	2,000
4.	2 MG Tank	LS	800,000	800,000
5.	Landscaping	LS	15,000	15,000
6.	Booster Pumping Sta.	LS	50,000	50,000
7.	Piping & Valves	LS	20,000	20,000
8.	Pump House	LS	50,000	50,000
	Structural & Mechanical			
9.	Pump House Electrical	LS	28,000	28,000
10.	Power to Site	LS	10,000	10,000
11.	Backup Generator	LS	120,000	120,000
12.	SCADA Control System		20,000	20,000
	a. Central	LS	20,000	20,000
	a. Site	4 EA	15,000	60,000
	Construction Cost			\$1,225,000
	Contingencies			122,000
	Property Purchase			80,000
	Legal and Administrative			36,000
	Design and Construction Engineering			162,000
	TOTAL			\$1,625,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Market Loan	\$ 890,000	55%
Board of Water Resources	410,000	25
Sponsor	<u>325,000</u>	<u>20</u>
Total	\$1,625,000	100%

If the board authorizes the project, it is suggested the board participate in an interest rate buydown with the city. The market loan would be repaid in 20 years at 5% interest with the first payment in 2005. The \$410,000 bonded indebtedness to the board would be repaid in 12 years at 0% interest beginning in 2007, with payments ranging from \$4,000 to \$80,000 and a final payment of \$9,000 in 2018.

ECONOMIC
FEASIBILITY:

Since the project is one to only increase storage capacity and will not develop new water sources, the benefit/cost ratio is assumed to be 1.0.

FINANCIAL
FEASIBILITY:

Based on the board's water service affordability guidelines, West Point City residents could pay up to \$39.31 per month for all water. The cost of water with the proposed project, based on 1,683 projected residential connections when the first annual payment is due in 2005, is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Operation & Maintenance	\$ 200,200	\$ 9.91
Capitol Recovery Fund	250,000	12.38
Secondary Water (Davis & Weber Counties Canal Co.)	336,700	16.67
Market Loan	<u>80,500</u>	<u>3.99</u>
TOTAL	\$ 867,400	\$ 42.95

The city currently charges \$11.00 monthly for the first 12,000 gallons of culinary water, with overage charges of \$1.00/1,000 gallons; it plans to raise rates as necessary to help pay for the proposed project. Secondary water charges are \$16.67 monthly for ½ acre or less and \$25.00 monthly for lots over ½ acre.

BENEFITS: Construction of the new tank will assure adequate storage for future demands.

PROJECT SPONSOR: West Point City was incorporated in 1935, has a current population of approximately 7,000, and grew at average annual rates of about 6.1% since 1970 and 5.2% since 1980; culinary connections have increased an average of 6.0% per year since 1980. The Governor's Office of Planning and Budget projects an average annual population growth rate of about 3.2% for the next 20 years.

West Point received \$100,000 from the board in the mid-1970s for miscellaneous culinary system improvements, and \$305,000 in the mid-1980s to help build the million gallon tank; both loans have been paid off.

WATER RIGHTS & SUPPLY: West Point has the following water rights:

<u>W.R. Num.</u>	<u>Source</u>	<u>Flow (cfs)</u>	<u>Limited to (acre-feet)</u>
31-1828	Well	3.0	1,500
31-2577	Well	1.95	
31-3205	Well	1.027	
31-4613	Drain	0.5	

The city also has a contract with Weber Basin Water Conservancy District for 700 acre-feet annually.

EASEMENTS: The city is in the process of purchasing land for the storage tank.

ENVIRONMENTAL: Very little disruption to the environment is expected.

WATER CONSERVATION: The city has completed a Water Management and Conservation Plan. As a condition of board funding, it will be required to adopt a progressive culinary water rate structure and an ordinance prohibiting pressurized irrigation of landscapes between the hours of 10:00 a.m. and 6:00 p.m.

SPONSOR'S The city will be required to make all arrangements to
RESPONSIBILITIES: sell the board a non-voted revenue bond as well as
verify it has adequate water rights and rights-of-way
to construct the project. If the project is
authorized, a list of requirements and procedures
necessary to close the loan will be furnished to the
city.

PROJECT	Mayor:	John Petroff
CONTACT		3200 West 300 North
PEOPLE:		West Point, UT 84015
		Phone: (801) 776-0970
	City Manager:	Rick Davis
		3200 West 300 North
		West Point, UT 84015
		Phone: (801) 776-0970
	Engineer:	Boyd Davis
		Gardner Engineering
		5875 South Adams Ave.
		Parkway Suite 200
		Ogden, UT 84405
		Phone: (801) 476-0202

BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **E-112**
Received: 2/22/88
Approved: 3/10/88
Authorized: 8/5/88
Committed (Ph. I): 3/2/89, 9/7/90
Committed (Ph. II): 6/21/91
Committed (Ph. III): 10/25/96, 6/20/97

To be Presented at the June 12, 2003 Board Meeting

SPONSOR: **DAVIS & WEBER COUNTIES CANAL COMPANY**

President: Joseph Dawson
1851 West 4800 South
Roy, UT 84067
Phone: (801) 825-6057

LOCATION: The proposed project is located in the western portion of Layton City in Davis County.

PROJECT SUMMARY: In August, 1988, the board authorized a \$38.7 million secondary irrigation project to serve areas in and around Kaysville, Layton, Syracuse, Clearfield, West Point, Clinton, Roy, and Riverdale in Davis and Weber Counties. Changes in land use in the area, as agricultural land served water by the sponsor is subdivided for residential use, have decreased the demand for agricultural water and increased the demand for municipal (drinking and lawn and garden) water. The canal company is therefore sponsoring the project to construct facilities to meet remaining agricultural and increased lawn and garden irrigation needs in its service area.

The sponsor is requesting financial assistance from the Board of Water Resources at this time to construct the first portion of Phase IV of the project, which is a pressurized secondary irrigation system in western Layton. Plans and specifications for this 15-block Gordon Avenue pipeline project,

with service laterals, have been submitted, an agreement between the sponsor and Layton is in place, and construction is planned to begin as soon after committal of funds as possible.

PAST BOARD
ACTION:

The board voted at authorization to provide 85% of the overall project cost, with financial assistance to be returned at 5% interest over not more than 35 years. Due to the size and complexity of the project and the fact it was planned to be constructed over a period of years, more specific repayment terms were to be determined for each phase of the project as they became ready to construct.

The board committed funds for the following:

<u>Secondary Irr. Proj.</u>	<u>Board Funds</u>	<u>% of Total</u>	<u>Repay. Period</u>	<u>Status</u>
Kaysville	\$ 8.300 million	85%	35 yrs.	Complete
West Point	\$ 4.884 million	85%	35 yrs.	Complete
Clinton	\$ <u>9.775 million</u>	85%	35 yrs.	Complete
TOTAL	\$22.959 million			

COST ESTIMATE
& SHARING:

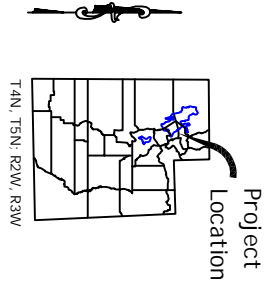
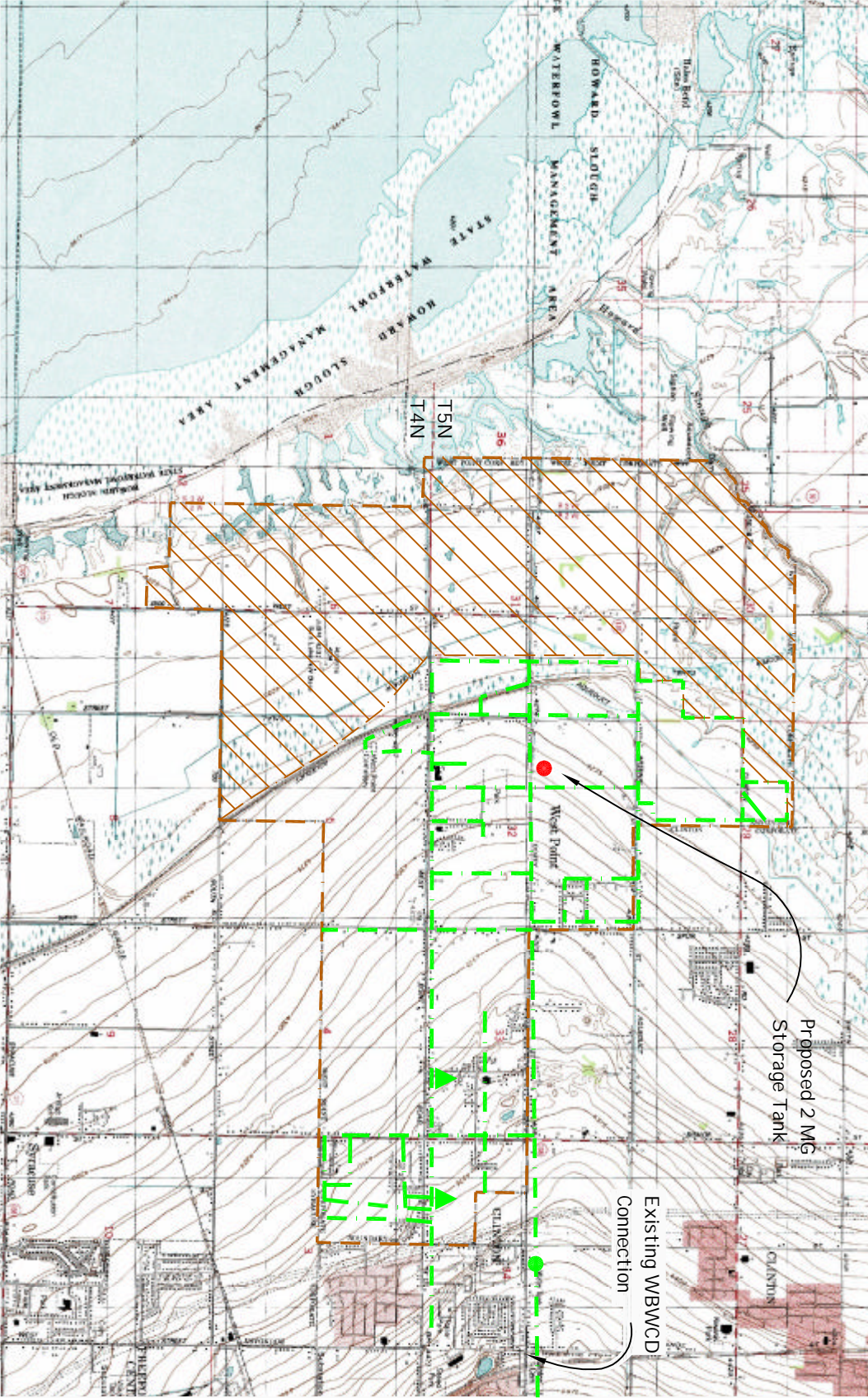
The proposed cost estimate and sharing for the initial portion of the West Layton phase of the overall project are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 545,000	85%
Sponsor	<u>97,000</u>	<u>15</u>
TOTAL	\$ 642,000	100%

It is anticipated the remainder of the West Layton project will cost \$7.25 million and that the sponsor will seek funding committals from the board over the next several years for 85% of that amount.

PURCHASE
AGREEMENT:

If the board commits funds to the initial portion of the West Layton project, it is suggested it be purchased by the canal company in 35 years at 5% interest with annual payments of approximately \$33,300. For the 185 connections served, this is equivalent to about \$15.00 per month.



- Proposed 2 MG Storage Tank
- ▲ Existing Wells
- Existing Water Tank
- Existing Pipeline
- - - West Point Boundary
- West Point Portion of Hooper WID

WEST POINT CITY
Proposed 2 MG Concrete Storage Tank
Davis County

BOARD OF WATER RESOURCES

Dam Safety Report

Construction Funding

Appl. No.: **C-023**

Authorized: 12/20/02

To be Presented at the June 12, 2003 Board Meeting

SPONSOR: ***CONSOLIDATED SEVIER BRIDGE RESERVOIR CO.***

President: Clyde Bunker
800 West 100 North
Delta, UT 84624
Phone: (435) 864-2494

LOCATION: Sevier Bridge Dam is located about 25 miles south of Nephi in Juab County.

BACKGROUND: Consolidated Sevier Bridge Reservoir Company is comprised of five separate irrigation companies with a total of 640 stockholders, approximately 400 of whom own most of the shares and irrigate 50,000 acres.

Sevier Bridge Dam was completed in 1908 and enlarged in 1916, making the reservoir capacity over 236,000 acre-feet.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to upgrade the dam to meet current state dam safety standards. The dam embankment will be unstable during an earthquake due to liquefiable (reduced strength when shaken) foundation materials, the upstream face of the dam needs riprap, and the outlet works, spillway, and drainage system are all inadequate. The work will be accomplished in phases:

<u>Phase</u>	<u>Description</u>	<u>Cost</u>
I	Construct Stability Berm, Place Riprap, Install Guard Gate, Rehabilitate Control Gate	\$ 4,500,000
II	Spillway & Toe Drain	<u>5,500,000</u>
TOTAL		\$10,000,000

COST ESTIMATE
AND SHARING:

Because the Phase I work is most crucial from a safety standpoint, and considering availability of funds, staff recommends the board commit funds at this time for only the first phase (whose cost estimate, with the progression of design work, is lower than at authorization), including engineering:

<u>Agency</u>	<u>Authorized Cost Sharing</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe - Grant	\$4,750,000	\$4,275,000	95%
Sponsor	<u>250,000</u>	<u>225,000</u>	<u>5</u>
TOTAL	\$5,000,000	\$4,500,000	100%

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: **D-887**
Received: 8/15/94
Approved: 9/16/94
Authorized: 1/20/95

To be Presented at the June 12, 2003 Board Meeting

SPONSOR: ***CARBONVILLE DITCH COMPANY***

President: Kent Houghton
1401 West 2060 North
Helper, UT 84526
Phone: (435) 637-8967

LOCATION: The project is located in the unincorporated community of Carbonville, about three miles northwest of Price in Carbon County.

SUMMARY: The board authorized \$462,000 (77%) to the sponsor to help construct a pressurized irrigation system to serve the outdoor watering needs of up to 115 homes in Carbonville, and 150 acres of farmland.

Because the sponsor subsequently built much of the project using Bureau of Reclamation salinity control funding, board assistance is no longer needed. Staff therefore recommends the application be deauthorized and withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: **D-962**
Received: 6/10/97
Approved: 6/20/97
Authorized: 9/19/97

To be Presented at the June 12, 2003 Board Meeting

SPONSOR: **CROYDON PIPELINE COMPANY**

President: Steve Pentz
1885 North 6800 East
Croydon, UT 84018
Phone: (801) 829-3378

LOCATION: The proposed project is located in the community of Croydon, about ten miles east of Morgan City in Morgan County.

SUMMARY: The board authorized \$35,000 (36%) to the sponsor to help drill and equip an 8-inch culinary water well. Since then the sponsor hasn't made progress toward construction, and an RECD grant necessary to make the project affordable has not been obtained.

Staff has spoken with the sponsor and recommends the application to the board be deauthorized and withdrawn from further consideration. If the sponsor decides in the future to seriously pursue the project, it will submit a new application to the board and staff will prepare a new feasibility report with updated information.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **D-969**
Received: 9/5/97
Approved: 9/19/97

To be Presented at the June 12, 2003 Board Meeting

SPONSOR: ***EAST CARBON CITY***

Mayor: Dale Andrews
P.O. Box 70
East Carbon, UT 84520
Phone: (435) 888-6613

LOCATION: The proposed project is located across Range Creek Canyon, about five miles east of East Carbon City in Carbon County.

SUMMARY: The city requested financial assistance from the board to construct an 80-foot high earth dam to store water for East Carbon and Sunnyside Cities' municipal and industrial needs. Since the city shows no interest in proceeding with the project anytime soon, staff recommends the application to the board be withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **E-065**
Received: 11/15/01
Approved: 12/14/01

To be Presented at the June 12, 2003 Board Meeting

SPONSOR: **MARION PARK ESTATES**

President: Jared Weller
2940 North 900 East
Kamas, UT 84036
Phone: (435) 783-2334

LOCATION: The proposed project is located about three miles north of Kamas in Summit County.

SUMMARY: The sponsor requested financial assistance from the board to improve and upgrade its culinary water system by constructing a 150,000 gallon storage tank, installing 5,000 feet of transmission pipeline, and adding five fire hydrants.

With board assistance, Marion Waterworks Company is beginning construction on a new 300,000 gallon tank above Marion Park Estates. Because Marion Waterworks has agreed to service homes currently served by Marion Park Estates, and will add a transmission line and fire hydrants for future connections in the area, staff recommends the application to the board be withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Feasibility Report & Committal of Funds

Conservation and Development Fund

Appl. No.: **E-087**
Received: 7/25/02
Approved: 8/9/02
Tabled: 1/31/03

To be Presented at the June 12, 2003 Board Meeting

SPONSOR: ***RICHLAND NONPROFIT WATER COMPANY***

President: Robert Wood

LOCATION: The proposed project is located about one mile north of Laketown, on the southeast side of Bear Lake in Rich County.

EXISTING CONDITIONS & PROBLEMS: There are several small water systems along the south shore of Bear Lake including Laketown, South Shore Special Service District, and Vista Grande, as well as approximately 100 individual wells serving 180 connections. Since these systems are at or near capacity, there is little or no growth in the area.

Laketown currently owns and operates a spring-fed culinary water system with capacity for 100 connections. It is serving 112 connections and has eight homes under construction. Although the system is dependable and offers adequate storage and distribution with fire hydrants, it is not in compliance with the Division of Drinking Water Standards for a needed second source of supply, nor can it sustain any future growth because it lacks additional water rights.

South Shore Special Service District serves Rendezvous State Park as well as 10 homes. This system has a 160 gpm well and pressurized storage tanks located in close proximity to the park. The distribution system

is adequate for the connections, but inadequate for fire protection. There will be no future growth on this system.

Vista Grande has 36 lots with 12 existing connections in the northern part of the South Shore area. The system is served by a 6-inch well and has a 30,000 gallon concrete storage vault, and distribution system consisting of 4-inch PVC pipe and four 2-inch fire hydrants. The well is in an unconfined aquifer with potential contamination from nearby septic tanks. Vista Grande needs a reliable source of water that isn't threatened with contamination, but drilling another well in the area is problematic since the existing well was the third one drilled before finding a water source.

There are also about 100 individual wells serving 180 connections along the south shore. Many of these wells produce poor quality water that is high in iron and sulfur but residents have no other choice for water service. These small wells serve as many as six structures but have no meters, storage, or fire suppression capability. About 60 connectors are interested in hooking up to a public water system immediately. It is anticipated another 40 would connect by 2020 if there were an available system.

With all systems at or near capacity, individual wells are currently the only option for future growth. These wells are shallow and costly, making it difficult for Laketown and Rich County to comply with state-imposed affordable housing requirements (Utah Code Title 17, Title 10). All of these systems are interested in incorporating into a larger, better system if water delivery can be guaranteed and the costs are reasonable. Two landowners would also like to develop 160 connections, including 24 affordable housing units, along the south shore. They include Lake Vista Properties (40 connections; see map) which has been annexed by Laketown and is expected to begin construction by summer, 2003, and Wood Family Development (120 connections; see map), expected to begin Phase I (65 connections) by summer, 2003, (including 12 of the affordable housing units). The Richland Nonprofit Water Company was formed to regionalize the water systems and to aid in future development of the area.

Rich County and Laketown have resolutions supporting the consolidation and regionalization of these water

systems, and the sponsor has agreements with South Shore Special Service District, Vista Grande, Lake Vista, Wood Development, and 50 individuals. There are also 31 individuals who have each reserved a connection in the system and will likely connect within five years.

PROPOSED
PROJECT:

The Richland Nonprofit Water Company is requesting financial assistance from the board to develop a public water system for the south shore of Bear Lake to serve 168 existing connections with capacity to increase to 400 total residential connections over the next 15-20 years. The project will include a 300,000 gallon storage tank with piping and telemetry, a well, seven miles of transmission and distribution pipeline, water meters, and fire hydrants. Cache-Landmark Engineering in Logan will provide design and construction engineering services.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE:

The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	300,000 Gallon Tank	LS	\$240,000	\$ 240,000
2.	Telemetry System	LS	15,000	15,000
3.	10-inch Well	LS	149,000	149,000
4.	Pump & Appurtenances	LS	50,000	50,000
5.	Pump House	LS	20,000	20,000
6.	Chlorinator	LS	8,500	8,500
7.	Fencing	LS	2,800	2,800
8.	PVC Pipe			
	a. 12-inch	5,800 LF	17.00	98,600
	b. 10-inch	7,250 LF	16.00	116,000
	c. 8-inch	23,700 LF	15.00	355,500
9.	Fire Hydrant	26 EA	2,250	58,500
10.	Water Meter & Service Tap	66 EA	650	42,900
11.	Laketown Bi-directional Meter	LS	5,000	5,000

12. State Park Bulk Meter	LS	800	800
13. Valves & Appurtenances	LS	63,000	63,000
14. Booster Pump	LS	50,000	50,000
15. 3-Phase Electrical	LS	3,000	3,000
16. Road Boring	LS	18,000	18,000
17. Permits/Testing	LS	2,800	2,800
18. Administrative Office	LS	30,000	<u>30,000</u>
Construction Cost			\$1,329,400
Contingencies			132,600
Legal and Administrative			68,000
Design and Construction Engineering			197,000
Water Rights			<u>273,000</u>
TOTAL			\$2,000,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Rural Development (Grant)	\$ 588,000	29%
Rural Development (Loan)	500,000	25
Laketown	40,000	2
South Shore SSD	48,500	2
Vista Grande	39,000	2
Wood Family Development	236,000	12
Lake Vista Properties	83,500	4
South Shore Residents	130,000	7
Board of Water Resources	<u>335,000</u>	<u>17</u>
TOTAL	\$2,000,000	100%

Contributions by the various systems, except Laketown, include the value of water rights that will be turned over to the Richland Nonprofit Water Company. The sponsor will also obtain money for its share of the project cost by having developers prepay an impact fee of \$1,200 per connection to reserve connections. Individuals are also prepaying the impact fee to reserve a connection in the system. Developers will also be responsible for the distribution facilities to serve their developments.

If the board authorizes the project, it is suggested the \$335,000 be returned in 25 years at 4% interest with annual payments ranging from approximately \$16,400 to \$29,400.

ECONOMIC
FEASIBILITY:

Economic feasibility is achieved when the project has a benefit/cost ratio of at least one to one. The benefit side of the ratio is estimated as the cost of the next best alternative means for delivering the same service as will be provided by the proposed project. The cost side is estimated as the combined cost of constructing the project and operating, maintaining, and replacing components as they wear out over the 50-year life of the project. All benefits and costs are discounted to present value using the division's discount rate of 3.9%

Staff and the sponsor considered two alternatives to the proposed project: 1) take no action except to make repairs to the current system; and 2) use treated water from Big Creek as the primary source of supply rather than a new well.

Alternative 1 was deemed unacceptable because it would cost almost as much as the proposed project and would not allow as much growth to occur. It may also be difficult to bring the entire system into compliance with current health regulations with this alternative.

Alternative 2 was determined to be the next best source of water for the project area, and was used to estimate benefits for the proposed project. Other improvements including pipelines, storage tank, fencing, etc., would remain the same as for the proposed project. The treatment plant for this alternative would be more costly than drilling and equipping a well and building a pump house. Also, operation and maintenance costs associated with the treatment plant are higher than for the well. These two factors combine to make the proposed project the better choice with a benefit/cost ratio of 1.27.

FINANCIAL
FEASIBILITY:

Based on the board's water service affordability guidelines, south shore area residents could pay up to \$34.69 monthly for water. The cost of water with the proposed project, based on 200 connections when the first annual payment is due in 2005, is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Operation & Maintenance	\$ 47,200	\$ 19.67
Proposed BWRe Assistance	16,400	6.83
Rural Development Loan	27,200	11.33
Leased Water to Upstream Irrigators	<u>(8,000)</u>	<u>(3.33)</u>
TOTAL	\$ 82,800	\$ 34.50

The sponsor is planning to charge a base rate of \$32.00 per month per residential connection; overage charges have not yet been determined. Laketown will pay \$300 monthly for its connection plus an additional fee for water used. Unused water rights will be leased to upstream irrigators.

BENEFITS: Regionalizing systems will provide for future area development, provide a more reliable and safe drinking water supply, and improve fire suppression capability.

PROJECT SPONSOR: The Richland Nonprofit Water Company was incorporated in 2002. The area population is currently 774 which includes 197 residents in Laketown (95% full-time) and 577 in the surrounding area (60% full-time). Although the Governor's Office of Planning and Budget projects an average annual growth rate of 0.6% over the next 20 years, based on a study by the University of Utah's Bureau of Business & Economic Research, the sponsor believes the rate will be higher than that, resulting in 400 residential connections by 2020. It is anticipated that about half of the growth will be homes not occupied full-time.

The sponsor has not received funding from the board in the past, nor have the individual systems with the exception of Laketown.

WATER RIGHTS & SUPPLY: The sponsor will take title to water rights owned by South Shore Special Service District, Vista Grande, and the individual well owners and developers along the south shore. The Laketown connection will have a bi-directional meter and water charges will be assessed according to use.

The following table shows water right numbers held by each entity and the amount of water that will be turned over to the sponsor:

	<u>Right No.</u>	<u>Acre-Feet</u>
Vista Grande	23-3784	72.00
South Shore Special Service District	23-3507	87.00
Individual well owners	Various	130.00
Wood Family Development	23-149	348.00
	23-150	
	23-151	
	23-152	
	23-242	
	23-98	
	23-154	
Lake Vista Properties	23-1632	87.00
TOTAL		724.00

EASEMENTS: The sponsor is in the process of obtaining easements.

ENVIRONMENTAL: The sponsor will be responsible for ensuring that environmental disruption is minimized.

SPONSOR'S RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties, easements, and water rights required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
3. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.

b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.

c. The company has obtained all permits required for the project.

4. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

b. The company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

5. Obtain approval of final plans and specifications from the Division of Water Resources and Division of Drinking Water.

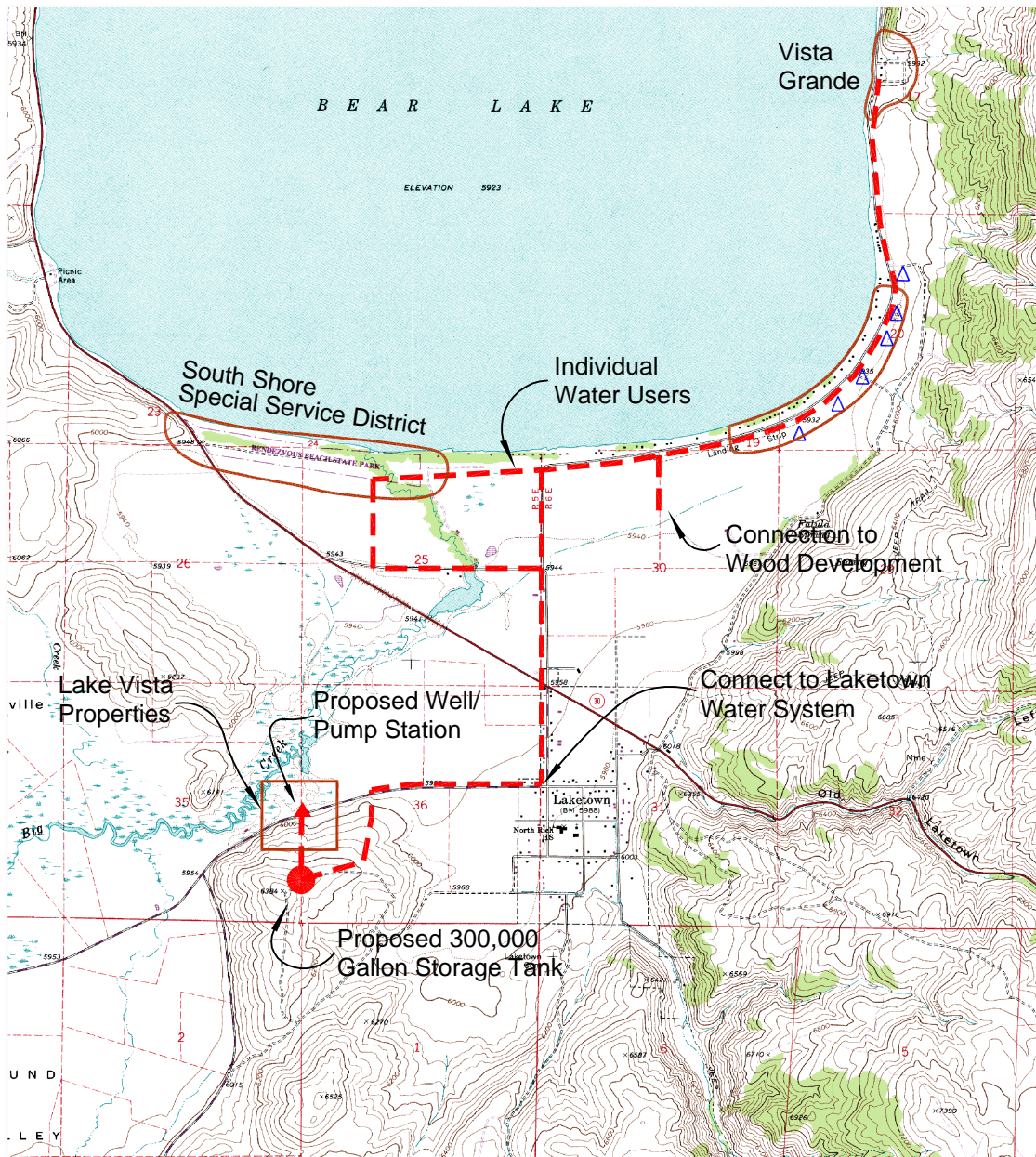
6. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

7. Adopt a rule prohibiting outdoor watering from 10:00 a.m. to 6:00 p.m.

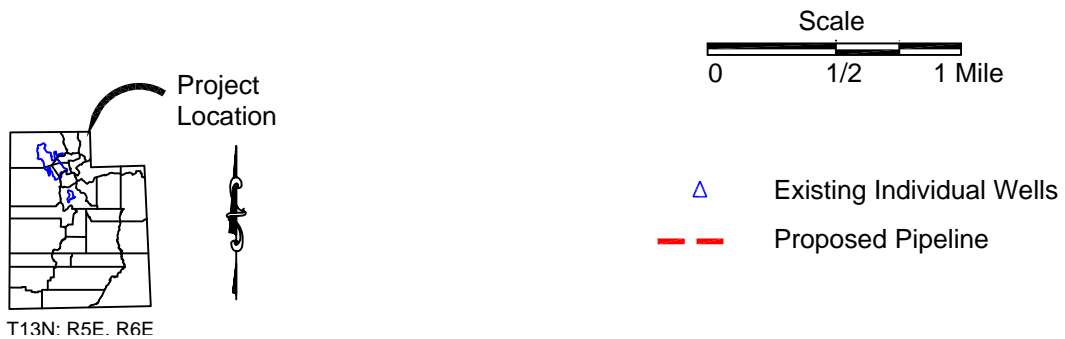
8. Adopt a progressive water rate schedule.

STAFF COMMENTS: The sponsor is in the process of completing its responsibilities and requests that, if the board chooses to authorize the project, it also commit funds.

PROJECT	President:	Robert Wood
CONTACT		47 East Cisco Road
PEOPLE:		Laketown, UT 84038
		Phone: (435) 946-3590
	Project Manager:	Brian Wood
		47 East Cisco Road
		Laketown, UT 84038
		Phone: (435) 946-3590
	Engineer:	Cache-Landmark Engineering
		Lance Anderson
		666 North Main
		Logan, UT 84321
		Phone: (435) 713-0099



RICHLAND NONPROFIT WATER COMPANY Proposed Water System Rich County



BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-109***

Received: 5/2/03

SPONSOR: ***TOWN OF GOSHEN***

Mayor:

Allen Carter

10 W. Main St.

P.O. Box 197

Goshen, UT 84633

Phone: (801) 667-9910

LOCATION: The proposed project is located in and around Goshen, about seven miles west of Santaquin in Utah County.

PROPOSED PROJECT: The town is requesting assistance to install a pressurized secondary irrigation system in town consisting of 9,000 feet of distribution pipeline tied to an existing storage tank and well.

WATER RIGHTS:

- 53-993 for 1.0 cfs
- 53-986 for 0.5 cfs

COST ESTIMATE: \$320,000

BOARD OF WATER RESOURCES TOUR April 24, 2003

The Board members and staff met at the Central Utah Water Conservancy District in Orem at 9:30 a.m. and drove up Diamond Fork Canyon to look at the nearly completed Diamond Fork Tunnel, the Upper Diamond Fork Pipeline and the Tanner Ridge Tunnel. The system picks up Strawberry Reservoir water at the Sixth Water Aqueduct, conveys it through the Tanner Ridge Tunnel, then the Upper Diamond Fork Pipeline, the Diamond Fork Tunnel and finally the Diamond Fork Pipeline which will deliver it to the Wasatch Front.

During construction, the Diamond Fork Tunnel encountered sulfur-laden water that required abandoning part of the tunnel and the tunnel boring equipment. The water has been successfully plugged and no longer poses a threat. The Upper Diamond Fork Pipeline and the Tanner Ridge Tunnel were added to replace the abandoned tunnel section.

The group walked several hundred yards into the Diamond Fork Tunnel. There was a small amount of water running through the bottom but there was no detectable sulfur smell. The tunnel has been lined and grout was being pumped into the rock; the tunnel is bored through to reduce the seepage entering the tunnel. Upon exiting the tunnel the group drove to the head of the tunnel where they are working on the facilities in the shaft that will drop water into the tunnel. From there, construction of the Upper Diamond Fork Pipeline was visible near its upstream end where it would connect to the Tanner Ridge Tunnel.

The group walked a short distance into the Tanner Ridge Tunnel which had been recently bored and was now being lined. The part seen was unlined and 12.5 feet in diameter. With the lining it will be 10.5 feet, as is the Diamond Fork Tunnel. Boring this 5,194 foot long tunnel began in December 2002 and was completed in March 2003. Completion of the entire system is expected in October 2004.

After the group arrived back at the district offices, they had lunch while district staff explained the various alternatives for the Utah Lake Drainage Basin Water Delivery System.

About 1:30 p.m. the Board members and staff got in a bus provided by the Provo River Water Users Association and toured the proposed Provo Reservoir Canal project. Keith Denos, manager of the association, explained the proposed project as the tour proceeded. The project will enclose the canal in either a 10' diameter pipe or an 8' X 12' box culvert. Liability, water quality, and seepage and evaporation losses are the principal drivers of the project.

The bus first stopped at the Murdock Diversion at the mouth of Provo Canyon which diverts water into the Provo Reservoir Canal. Mr. Denos explained the project was started in the 1940s and built in two parts. He said the proposed project could provide a trail which could eventually connect the Jordan River Parkway and the Provo River Parkway since there is now a trail to the Point of the Mountain and other trails.

Mr. Denos pointed out the association's current office as the bus drove through Lindon. He then took the group to the association's new offices in Pleasant Grove and said they would be moving there soon. Mr. Denos said there were 20 principal stockholders representing hundreds of people. Metropolitan Water District of Salt Lake and Sandy, and Provo Reservoir Canal Company are the major shareholders of the Provo River Water Users Association. Jordan Valley Water Conservancy District is a principal shareholder in the Provo Reservoir Canal Company. Mr. Denos gave a history of the Provo River Water Users Association which had its roots with the Provo Reservoir Canal Company.

The bus followed the route of the canal so the group could see the houses being built along it. The Salt Lake Aqueduct is just above the canal, and there has been some discussion about interconnecting the canal with the aqueduct when the canal is enclosed. The group stopped and looked at the area of the greatest instability where there are concerns about building homes below. Piping the canal would decrease seepage into the hillside and improve stability.

Steve Kane, who drove the bus, was introduced by Mr. Denos as the facilities and land maintenance manager. He talked about the maintenance of the canal and said they check for leaks continuously. He talked about the most recent canal failure in 1998 which caused a lot of damage to orchards and land below the canal in the Lindon area. The liability issue is a big concern to the association and it is hard to get insurance.

The bus stopped at the Dry Creek siphon diversion project, which was currently under construction. Mr. Denos explained the project, which consisted of trash racks and a spillway structure at the head of the siphon. He said people have entered the siphon from time to time and were killed by the high water pressure at the bottom. The project will lessen the liability and help with maintenance. Highland City and some developers paid half of the \$300,000 total cost for the diversion structure and pump project that should be completed by mid-May.

Mr. Denos pointed out Micron, which was started in 1995, and explained some of the water quality issues and problems they have had with Micron. Mr. Denos also showed the group the area of a new development that will have about 4,000 new homes. He said currently the canal goes through the middle of the development area so they need to enclose the canal for safety reasons.

Director Anderson thanked the association for giving the Board a tour of the canal and proposed project area. He also thanked them for their support with the legislature.

The bus got back to the CUWCD offices at about 3:50 p.m.

Attendees on the Tour
To Diamond Fork

Lucille Taylor
Harold Shirley
Paul McPherson

Brad Hancock
Bob Morgan
Sherm Hoskins
Larry Anderson
Dennis Strong
Milo Barney
Steve Wilde
Eric Millis
Lee Wimmer

Ivan and Marlene Flint followed the group part of the way.

Attendees on the Tour
Through Utah County

Warren Peterson
Harold Shirley
Paul McPherson
Brad Hancock
Bob Morgan
Sherm Hoskins
Larry Anderson
Dennis Strong
Milo Barney
Steve Wilde
Eric Millis
Randy Staker
Nancy Fullmer
Keith Denos
Mike Collins

Ivan and Marlene Flint followed the group part of the way.

Unapproved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

April 24, 2003

Central Utah Water Conservancy District
355 West University Parkway
Orem, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
April 24, 2003

The Board of Water Resources held a briefing meeting on April 24, 2003, at 4:00 p.m. in the Central Utah Water Conservancy District in Orem, Utah.

The following people were in attendance:

BOARD MEMBERS

Warren Peterson
Paul Riley
Lucille Taylor
Ivan Flint
Brad Hancock
Harold Shirley

STAFF MEMBERS

Larry Anderson
Dennis Strong
Eric Millis
Steve Wilde
Nancy Fullmer
Randy Staker
Milo Barney

VISITORS

Sherm Hoskins
Robert Morgan

Chair Warren Peterson called the briefing meeting to order and welcomed everyone to the meeting. He thanked Bob Morgan, Sherm Hoskins and Milo Barney for joining the Board on the tour earlier that day. He introduced Paul McPherson and said he was from Nephi and the newest member of the Board of Water Resources. He will be given time to introduce himself in the Board meeting the next day.

Director Anderson said George Harmond, who was also recently appointed to the Board, could not adjust his schedule to attend the meeting. He is an attorney in Price and had a court trial previously scheduled. He met with some of the division staff last week.

DISCUSSION OF STAFF ACTIVITIES

Director Anderson said Ivan Flint requested the June Board tour and meeting be changed from Thursday and Friday to Wednesday and Thursday, June 11 and 12. He said some of the people involved with the tour will be leaving for the AWWA national convention. Director Anderson asked everyone to check their schedules. Mr. Flint will talk about it in the Board meeting.

Ivan Flint said Hooper Irrigation Company sent a note saying thanks for the Board's participation with their project, and asked him to express their appreciation to the Board members.

DISCUSSION OF PROJECTS

Lake Creek Irrigation Company

Steve Wilde said the irrigation company is located east of Heber City, and the Board has worked with the company several times over the years. He said the company wants to install meters on its secondary irrigation systems. Val Anderson, an engineer with the division, is doing the technical work on the project.

Director Anderson said the project would provide good research for staff. Staff wants to see if the meters will work, and the sponsor wants to try to control water use. Staff suggests authorization for the entire project and committal of funds for phase one (a pilot project which involves installation of 24 meters). The company has agreed to try several different types of meters in order to find meters that will work well with dirty water. They want to ultimately install 360 meters when they determine which meters work the best.

Dansie Water Company

Steve Wilde said Rod Dansie came to the Board of Water Resources about 12 years ago for a project. There were disagreements between High Country Estates and Foothills Water Company so the project was withdrawn. Mr. Dansie has returned to the Board to request financial assistance for the same project under the Dansie Water Company.

The company supplies water to 19 homes. Mr. Dansie has two water storage tanks that each hold 35,000 gallons and he wants to build a one million gallon storage tank as the Dansies plan for 1,000 homes to be built on the land they own.

Mr. Wilde said the draft feasibility report was sent to Mr. Dansie for his review and input. Mr. Dansie took exception to the water rights section; but according to the State Engineer's office, a certain right is under litigation. The last paragraph in the report stated staff believes the sponsor's project should not be funded because it appears to be a family development project and outside of the Board's guidelines. The Board could be criticized for funding a small private water system in the middle of Salt Lake County.

The Board members asked if there was a water company that could provide the water. Mr. Strong said the proposed project is located adjacent to Herriman, and they could probably purchase water from the Jordan Valley Water Conservancy District. The Board members agreed to listen to Mr. Dansie express his concerns at the Board meeting.

Weber Basin Water Conservancy District

Chair Peterson asked if the manager of the Weber Basin Water Conservancy District would be at the Board meeting. Ivan Flint said staff from the district was supposed to call and talk to division staff. He thought the district was going to withdraw the request for committal of funds for this phase of the project. Steve Wilde said he had not heard about a withdrawal but he would check with the staff project engineer before the Board meeting.

Richland Nonprofit Water Company

Steve Wilde reminded the Board that in January staff presented the feasibility report for the Richland Nonprofit Water Company, but the Board did not authorize the project. The project involves consolidation of several smaller water systems; one of the systems expressed opposition during the Board meeting. The Board told the company to go back and get signed agreements before returning for authorization.

Mr. Wilde said Brian Wood wants to come to the Board meeting and give a status report. They hope to have everything completed by June so they can receive authorization and committal of funds.

Lake Shore Irrigation Company

Chair Peterson said staff has recommended the pipeline project for the Lake Shore Irrigation Company be funded at zero percent interest from the Revolving Construction Fund. Steve Wilde said the project is similar to the Deseret Irrigation Company projects in Millard County previously funded by the Board, in that canals higher than adjacent farmland lose water to seepage and the water damages the land and reduces its production; piping or lining the canals is thus necessary.

Mr. Wilde said the company has received threats of lawsuits because of seepage from the canals damaging adjacent fields. They would like to install the pipe as soon as possible to avoid the lawsuits so they are requesting authorization and committal of funds.

New Applications

The Board discussed the new applications from Pioneer Land & Irrigation Company in Weber County and Centerfield Town in Sanpete County. Steve Wilde said staff is working with the sponsors on the proposed projects.

OTHER ITEMS

Warren Peterson said he had some changes to the Minutes. Ivan Flint said when he was reading the Minutes, he noticed that Chair Peterson mentioned he would like to have a new Board chair elected. Chair Peterson said with the level of talent on the Board and with the Governor suggesting Board Members only serve two terms, it seems the chairmanship should be rotated every year so additional Board members have the opportunity to serve as the chair. Director Anderson said the Board holds an election every year, but the majority of the time the chairman has served two years rather than one year. Staff will put elections on the June meeting agenda.

Chair Peterson said he wanted to discuss the issue of the Board accepting contracts rather than bonds. He said he had not signed the contracts for two county improvement districts the Board committed funds to. He raised the question about political subdivisions being able to sign contracts rather than bonding for water projects. Because of some recent court cases, he asked staff to review the issue with Bill Prater, who is the Special Assistant Attorney General for bonding for the Board. He feels the Board should require bonds rather than contracts from political subdivisions. Dennis Strong said if the sponsor signs a contract rather than issuing a bond, the Board's statute requires the Board to take title to the water rights. After considerable discussion about the issue, the Board suggested getting legislation drafted to change the statute.

Sherm Hoskins suggested the Board hold a training session to brief the two new Board members and discuss other issues. Chair Peterson said he would work with staff to determine a date and place to hold a retreat.

The briefing meeting adjourned about 5:20 p.m. so the Board members could attend the retirement dinner for Lucille Taylor and Cleal Bradford. Director Anderson said they would be given nice plaques in appreciation of their service.

Unapproved
MINUTES
BOARD OF WATER RESOURCES MEETING
April 25, 2003

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the March 20, 2003 Board meetings were approved with suggested changes. page 1

2. Phase I of the Lake Creek Irrigation Company project was authorized and funds committed in the amount of \$22,500 (75%), and Phase II was authorized in the amount of \$300,000 (75%). They will both be purchased at 1% interest over approximately 20 years. Phase I's annual payment will be \$1,250 and Phase II's \$16,600. page 2

3. The Mapleton City project was withdrawn from further consideration by the Board. page 4

4. The Board authorized and committed funds to the Lake Shore Irrigation Company in the amount of \$141,000 (74%) to be purchased with annual payments of \$8,000 at 0% interest over approximately 18 years. page 5

5. A resolution of appreciation will be prepared for Lucille Taylor and Cleal Bradford for their service on the Board of Water Resources. page 6

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, April 25, 2003 in the Auditorium of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah. Chair Peterson presided over the 9:00 a.m. meeting.

BOARD MEMBERS PRESENT:

Warren Peterson
Paul Riley
Harold Shirley
Brad Hancock
Bill Marcovecchio
Ivan Flint
Paul McPherson
George Harmond, Jr. was absent

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Steve Wilde, Chief Investigations
Eric Edgley, Chief, Technical Services
Todd Adams, Chief, Hydrology & Computer Services
Robert King, Chief, Interstate Streams
Russell Hadley, Engineer
Tom Cox, Engineer
Gina Hirst, Engineer
Val Anderson, Engineer
Boyd Phillips, Engineer
Dan Aubrey, Geologist
Mike Suflita, Engineer
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Sherm Hoskins, Asst. Director, Department of Natural Resources
Sherm Johnson, Redmond Irrigation
Mike Davidson, Sunrise Engineering

OTHERS PRESENT CONT'D:

George Holmes, President, Lake Creek Irrigation Company

J. Rodney Dansie, Dansie Water Company

Bob Wood, President, Richland Nonprofit Water Company

Brian Wood, Project Manager, Richland Nonprofit Water Company

Randy House, Director, Richland Nonprofit Water Company

Lance Anderson, Project Engineer, Cache-Landmark Engineering

Chris Hogge, Engineer, Weber Basin Water Conservancy District

Jay Evans, President, Lake Shore Irrigation Company

Kevin Sorensen, Board member, Lake Shore Irrigation Company

MINUTES
BOARD OF WATER RESOURCES MEETING
April 25, 2003

Chair Peterson welcomed everyone and recognized Sherman Hoskins, Asst. Director of the Department of Natural Resources.

APPROVAL OF MINUTES

Harold Shirley made the motion, seconded by Bill Marcovecchio to approve the minutes of the March 20, 2003 Board meetings with suggested changes. The Board agreed unanimously.

CHAIR'S REPORT

Chair Peterson welcomed Paul McPherson, a recently appointed member of the Board of Water Resources replacing Lucille Taylor. Mr. McPherson said he lived in Nephi. He owns Greenland Equipment and also has 700 acres of farm ground and is raising 60 head of registered Angus Cows. He is currently president of the East Juab Water Conservancy District. He said he was glad to be a member of the Board of Water Resources.

Mr. Peterson said George Harmond, Jr., an attorney in Price, was also appointed to the Board replacing Cleal Bradford. He was unable to adjust his schedule to attend the Board meeting but hopes to attend the Board meeting in June.

Mr. Peterson said the Board toured various facilities in Utah County and wants to acknowledge and thank Central Utah Water Conservancy District and the Provo River Water Users for lunch and the informative tours.

A Water Supply Report was not given as Randy Julander was not in attendance.

FEASIBILITY REPORTS

#E102 Lake Creek Irrigation Company

Chair Peterson introduced George Holmes, president of the company. Val Anderson reported the Lake Creek Irrigation Co. is located about four miles east of Heber City. The company provides pressurized irrigation water to 2,020 acres of agricultural land and 180 acres of residential land (146 developed and 214 undeveloped lots).

Water delivered to the several residential subdivisions for secondary irrigation is metered where each subdivision's main line leaves the sponsor's transmission pipeline. Some residential lot owners are using more irrigation water than they are entitled to and, since most residents

irrigate at night, it is difficult for the company to regulate usage by direct observation. The company is requesting technical and financial assistance from the Board to install 146 meters on individual lots with existing homes, and an additional 214 meters on sold and unsold lots in platted subdivisions.

Prior to funding staff recommends a pilot project, Phase I of 24 meters. Several different kinds of meters will be tried for at least 2 ~~full~~ irrigation seasons to rate the meters' performance in dirty water and to verify the overall project is technically feasible. Phase II will be built if the Phase I pilot project is successful and will consist of the installation of the remaining 336 meters. The company is requesting the Phase I portion of the project be authorized and committed at this time, and the Phase II portion be authorized. Division staff will provide design and construction engineering services for both phases. The Phase I project is estimated to cost \$30,000, and Phase II is estimated to cost \$400,000.

Based on the Board's affordability guidelines, Lake Creek water users could pay up to \$38.70 per month for all water. The cost of water with the proposed combined project would be \$46.35.

The company has participated with the Board in nine past projects, and has also received assistance through the dam safety program. Six of the past nine projects have been purchased and the remaining three have payoff dates of 2004, 2005, and 2006.

Mr. Holmes said because of the CUP project there is M&I water available to be purchased in Heber Valley and it needs to be delivered through an irrigation company. As part of the contract to deliver M&I water the company is requiring a meter. On all new subdivisions meters will be required on both the secondary and culinary water. The existing subdivisions that have been platted are the ones that will have to purchase and install meters. Mr. Holmes asked if the pilot project could be shorter than 2 $\frac{1}{2}$ years. Larry Anderson said the pilot project is to see which meter works. He said it takes one year of operation plus a winter plus the next year to see what happens.

Paul McPherson made the motion to authorize and commit funds in the amount of \$22,500 (75%) for Phase I of the Lake Creek Irrigation Company project and to authorize Phase II in the amount of \$300,000 (75%). It is suggested they both be purchased at 1% interest over approximately 20 years. Phase I's annual payments will be \$1,250 and Phase II's \$16,600. Harold Shirley seconded the motion and the Board agreed unanimously.

#E103 Dansie Water Company

Chair Peterson introduced Mr. J. Rodney Dansie, president. Russell Hadley reported the Dansie Water Company serves culinary water for indoor and limited outdoor use to 12 homes and seven mobile homes west of Herriman in Salt Lake County. The system is rated "approved" by the Division of Drinking Water and consists of a well, two above ground steel storage tanks holding a total of 70,000 gallons and distribution pipeline. The tanks are over 40 years old,

require considerable upkeep and repair, and their volume is inadequate from a fire protection standpoint.

The company is requesting financial assistance to construct a million gallon concrete storage tank and install pipeline to connect it to the existing water system. The project is estimated to cost \$616,000. Based on the Board's water service affordability guidelines the company's customers could pay up to \$62.06 monthly for all water service. The cost of water with the proposed project will be around \$105 per connection per month.

The company has not received financial assistance from the Board in the past; J. Rodney Dansie submitted an application in 1991 on behalf of Foothills Water Company to construct a concrete storage tank and install transmission and distribution pipelines. That application was withdrawn in 1995.

Because the Dansie's own all the homes, land, water rights, and the shares of stock in the company it appears to be a family-owned project. Also, a one million gallon storage tank is enormous for 19 homes, even though 1,000 homes are anticipated in the future.

Mr. Hadley said he has had conversations with Herriman City and they said they would be happy to sit down with the Dansie Water Co. to discuss adding their system to the Herriman City system. Mr. Hadley said the company's project as proposed does not meet the Board's funding criteria.

Mr. Dansie thanked the Board for the opportunity to come and speak about the proposed project. Mr. Dansie explained the need for the proposed project and why it would not be good to join with Herriman City at this time.

After considerable discussion, Mr. Dansie felt it would be best to withdraw the Dansie Water Company application at this time. Chair Peterson thanked Mr. Dansie for his comments, and expressed appreciation to him for respecting the Board's view of the proposed project. Mr. Dansie expressed appreciation to staff and Bill Marcovecchio for their efforts and also for the opportunity to present the project to the Board.

COMMITTAL OF FUNDS

#E108 Weber Basin Water Conservancy District

Chair Peterson welcomed Chris Hogge. Mr. Hogge said the district has determined it is in its best interest to withdraw the request for committal of funds on Phase II at this time. He said the district will be back sometime in the future to ask the Board for consideration of funds on other phases. Chair Peterson said the Board would work under that understanding.

SPECIAL ITEMS

#D886 Mapleton City

Mapleton City had requested financial assistance to construct a pressurized secondary irrigation system throughout Mapleton. Since then the system has been partially built with groundwater contamination mitigation monies from a nearby explosives company.

Paul McPherson made the motion to withdraw the Mapleton City application from further consideration by the Board. Brad Hancock seconded the motion and it was unanimously agreed upon by the Board.

#E087 Richland Nonprofit Water Company (status report)

Chair Peterson introduced Robert Wood, Brian Wood, and Randy House. Mr. Peterson said there would not be a staff report presented and asked the company to present a quick report. Brian Wood explained the status of the proposed project, and said they have been working very hard and they should be ready for committal of funds at the next Board meeting. Director Anderson reminded the company the project had not been previously authorized and it would need to be authorized before funds could be committed.

#E106 Lake Shore Irrigation Company

Chair Peterson introduced Jay Evans, president; and Kevin Sorensen, a board member. Gina Hirst reported the project is located about two miles west of Spanish Fork in Utah County. She said the company delivers water for flood irrigation to about 5,400 agricultural acres through 30-35 miles of earth and concrete-lined canals and pipelines. The canals are earth, concrete lining and pipeline. Some of the concrete lining is about 40 years old and deteriorated. Some sections of the canal are higher than adjacent farmland and seepage from them enters root zones of the land, damaging it and reducing production. On two 25-acre parcels about 150 acre-feet annually is seeping, and legal action has been threatened if it isn't stopped.

The company is requesting financial assistance to replace 2700 feet of canal with pipe; they are also requesting the amount they spent last year (\$50,000) to do a similar project be included in the costs and credited as its cost sharing. The project is estimated to cost \$191,000. Shane Sorensen in Spanish Fork will provide design and construction engineering services.

With the proposed Board assistance shareholders will pay about \$16.39 per acre. Some of the landowners are renting water from the CUP to help subsidize some of the water they need for the land. This is expected to reduce CUP water from 1,140 acre-feet to about 990 acre-feet with the project in place. It is anticipated individuals will save about \$2,300 annually in reduced CUP water costs.

Chair Peterson asked if they intended to construct the project this spring. Mr. Sorensen said part of the project has already been put in and was finished on Monday to avoid legal action. He said they borrowed money for the project laid last fall and will be borrowing money for a bridge loan to cover what was installed last week. Mr. Sorensen said they realized they were going about this in the wrong way, but felt it would cost the company more in the long run and put the company in turmoil with the lawsuits against them.

Paul McPherson made the motion to authorize and commit funds to the Lake Shore Irrigation Company in the amount of \$141,000 (74%) to be purchased with annual payments of \$8,000 at 0% interest over approximately 18 years. Ivan Flint seconded the motion and the Board agreed unanimously.

DIRECTOR'S REPORT

Director Anderson asked Asst. Director Eric Millis to introduce a new employee and one who has received a promotion in the office. Mr. Millis introduced Eric Edgley who has worked for the division for four years as the GIS Administrator and has been made the Section Manager over a recently established Technical Services section, which includes GIS, mapping, design drawings for projects and other engineering technical services. Mr. Millis also introduced Mike Suflita who will be working in the River Basin Planning Section under Todd Stonely. Mike previously worked for the Oil, Gas and Mining Division of the department, and told the Board his background experience in engineering.

Director Anderson asked Todd Adams to summarize what's happened in the cloud seeding program. Mr. Adams said the central and southern Utah area, the northern area, the West Uintas and the Uinta Mountains were seeded this year, and the Uinta Mountains are still being seeded and will until the end of the month. He said this year they chased a lot of small storms and when you chase small storms you get small results. He said if you only get 30% of normal the snowpack is increased by 10%. Ivan Flint said you dare not cloud seed; it is a gamble you have to take.

Lyle Summers was asked to comment on the recent Salt Lake County Water Summit called by Mayor Nancy Workman. She asked all the water people in the county to come together and talk about what can be done to get through the drought this next year. Mr. Summers summarized the comments of the people attending the summit.

Mr. Anderson asked Robert King, Chief of Interstate Streams, to comment on the Colorado River Endangered Fishes Recovery Program and also to bring the Board up-to-date on what has happened in California and their use of Colorado River water.

Mr. King said the Endangered Fishes Recovery Program for the Upper Colorado River Basin is being touted as an example of how to maintain water use and comply with the endangered species act. He said a non-native removal program has been started in the Yampa River Basin; the northern pike are being moved to a controlled environment where they can not

get back into the river. Utah does not have quite as big a problem but is starting to – the small mouth bass in the Green River system are gaining in popularity. A press release was prepared to educate people about the program.

Mr. King said in the last week or so significant developments have taken place in California. The urban water interests are taking a second look at whether it is worth their time and money to pay the farmers in the Imperial Irrigation District area to conserve their water because the federal government has now decided to proceed with a beneficial use study that may limit their water use. A lawsuit filed over this issue has been remanded to the Bureau of Reclamation by the court. Since California did not sign the Quantification Settlement Agreement, the Secretary of the Interior is only allowing 4.4 MAF of Colorado River water deliveries this year. Nevada is also suffering because they are limited to 300,000 acre-feet; Nevada was a real significant beneficiary of the Interim Surplus Guidelines because it allowed them to use over 300,000 acre-feet. Nevada is going to try and document they need more water.

Director Anderson gave the Board a memo regarding the division's updated 1000 day plan provided to the Governor's office.

The dedication of the Sand Hollow Reservoir was held on April 18, 2003 at 10:00 a.m. Harold Shirley commented "they had more speakers than they had water in the lake, but the ceremony went real smooth". Director Anderson said there was a large turnout, over 100 people.

Chair Peterson commended Director Anderson and division staff for the good information provided at the Board meeting.

Ivan Flint said that because of an AWWA conference on June 13th it would be better to have the June Board meeting on Thursday the 12th instead of the 13th. He said the Weber Basin Water Conservancy District has arranged a special tour on Wednesday June 11th for the Board. Mr. Flint made the motion to change the date of the June Board meetings in Weber Basin to June 11th and 12th. Harold Shirley seconded the motion and the Board agreed unanimously. Director Anderson said the Board meeting will be held at the Weber Basin Water Conservancy District office in Layton on Thursday morning June 12.

Harold Shirley made a motion for staff to prepare a resolution of appreciation for Lucille Taylor and Cleal Bradford for their service on the Board of Water Resources. Paul Riley seconded the motion and it was unanimously agreed upon by the Board.

Director Anderson informed the Board that Eric Millis was selected as the Department of Natural Resources manager of the year. He said we are very proud of him and sometime in December he will receive a nice gift from the department.

Meeting adjourned at 11:37 a.m.

Approved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

March 20, 2003

Garden Room at the Crystal Inn
1450 South Hilton Drive
St. George, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
March 20, 2003

The Board of Water Resources held a briefing meeting on March 20, 2003, at 7:00 a.m. in the Garden Room at the Crystal Inn, 1450 South Hilton Drive, St. George, Utah.

The following people were in attendance:

BOARD MEMBERS

Warren Peterson
Paul Riley
Lucille Taylor
Ivan Flint
Brad Hancock
Harold Shirley

STAFF MEMBERS

Larry Anderson
Dennis Strong
Eric Millis
Nancy Fullmer
Tom Cox

VISITORS

Sherm Hoskins

Chair Warren Peterson called the briefing meeting to order and welcomed everyone to the meeting.

CHAIR'S REPORT

Chair Peterson said the water community was well served by the legislature. Mr. Peterson stated, "The Board's funding was essentially left intact; that is one reason we did not hold the special meeting we had planned to hold yesterday."

Chair Peterson reported on the Tri-Board meeting he attended on February 5 with representatives of the Drinking Water and Water Quality Boards. There were no representatives from the Soil Conservation Commission, which administers the ARDL loan funds. Mr. Peterson handed out a draft letter expressing the results of the meeting. He reviewed his concerns and asked the Board members for comments. Chair Peterson said he would contact the other two chairmen and modify the letter to incorporate the Board's concerns.

Paul Riley talked about Ron Sims' offer of assistance from the Utah Water Research Laboratory at Utah State University. Mr. Sims said the Water Lab has been doing computer modeling for several states, and he would make that expertise available to do modeling for areas in the state of Utah that might need some extensive study. Some of the Board members expressed concern about duplicating some of the Division's planning staff's work if the Water Lab's offer was accepted. Director Anderson said staff has involved the Water Lab in the development of the State Water Plan and will continue to work with them.

Chair Peterson said he would like the Board to look at the Provo Reservoir Canal during the tour of the CUP project in April. There is an effort being made to pipe the Murdock Canal (Provo Reservoir Canal). Lucille Taylor said Keith Denos, the manager of the Provo River Water Users Association, talked to her about it.

Mr. Peterson talked about the possibility of four of the Board members leaving the Board of Water Resources after this meeting since they have served two 4-year terms – Lucille Taylor, Cleal Bradford, Warren Peterson and Harold Shirley. As part of the Chairman's report in the Board meeting, he would like to give them an opportunity to speak. Mrs. Taylor said she wants to be invited on the CUP tour even if she is not reappointed.

Chair Peterson said it has been the tradition that the Board chair serve two years. He would like to step out of the tradition and have a new chair elected at a future meeting even if he is reappointed to the Board.

DISCUSSION OF STAFF ACTIVITIES

Director Anderson asked Eric Millis to talk about what happened at the legislature. Mr. Millis referred to a memo under the Director's Report in the Board folder. He explained some of the bills that passed, and reviewed some of the bills that did not pass. He reviewed some of the items for interim study listed in the Master Study Resolution.

DISCUSSION OF PROJECTS

Warren Peterson welcomed Tom Cox to the meeting and said he could answer questions about the projects being presented at the Board meeting.

City of Cedar Hills

Lucille Taylor said she visited Cedar Hills, and it is a fast growing residential community north of Pleasant Grove. Staff suggested the city could repay the loan in the amount of \$1,350,000 over 10 years at 5% interest. She thinks it is a wise suggestion because the people can afford that amount.

Dennis Strong said when the city first approached the Board, they requested assistance for bond insurance. When staff investigated the project, the sponsor said they wanted a loan. After they saw staff's recommendation for repayment terms of 10 years at 5% interest, they changed their minds and would like to change the request to bond insurance in the amount of a \$31,000 grant. Mr. Strong said when Tom presents the project, he will talk about bond insurance and will not cover the other information included in the feasibility report.

Hooper Irrigation Company

Ivan Flint said the mayor called him and said they wanted to request changes in the report. Tom said he knows what the changes are as he met with the engineer and one of the board members. There are about 550 connections instead of 850 connections; and when the loan payment starts, there will be about 600 connections. Eventually the agricultural land will be developed into residential land.

Mr. Flint asked about the total cost of the project. Tom said phase I, which consists of the distribution system, is estimated to cost \$3.150 million, and it does not include the pond and booster pump station. Dennis Strong said he would like the Board to ignore the issue of the additional cost since it is a phase project. The issue at hand is whether the Board feels comfortable about committing funds for phase I since it will not be operational until the pond and pumping station are built or whether they want to table this request.

Dennis asked Tom to discuss the revised numbers with the sponsor's changes; the report suggests a repayment schedule at 5% over 20 years. Tom suggested the repayment terms could be 3% interest over 25 years starting at \$110,000, which is an increase of about \$17 per connection per month for the secondary water.

Dennis Strong said all of the remaining projects are the same as authorized by the Board. Warren Peterson said he has a conflict of interest on the Brian Head project.

Minutes

There was a discussion about changes to the Minutes of the briefing meeting and Board meeting held on January 31.

The briefing meeting adjourned at 8:45 a.m.

Approved
MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
March 20, 2003

Crystal Inn
1450 South Hilton Drive
St. George, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the January 31, 2003 Board meetings were approved with suggested changes. page 1
2. The Board granted \$31,200 for bond insurance to the City of Cedar Hills. page 2
3. Funds were committed to the Hooper Irrigation Company in the amount of \$2.677 million (85%) to be returned in 25 years at 3% interest beginning at \$110,000 and ending at \$216,000, subject to availability of funds. page 3
4. The Board committed funds to Centerville City in the amount of \$1.142 million (26%) to be repaid in 16 years at 3% interest beginning in 2005, with annual payments ranging from about \$35,000 to \$233,000, subject to availability of funds. page 3
5. Funds were committed to the Marion Waterworks Company in the amount of \$320,000 (80%) to be repaid at 0% interest over approximately 22 years with annual payments of \$15,000, subject to availability of funds. page 4
6. The Board committed funds to Tooele County by participating in an interest rate buydown with the market loan to be repaid in 17 years at 5% interest and the \$700,000 (35%) to be repaid concurrently with the market loan in 17 years at 1% interest. Approximate annual payments will be \$7,000 the first year, rising to \$93,000 in the final year, subject to availability of funds. page 4
7. Funds were committed in the amount of \$611,000 (75%) to the Wolf Creek Water Conservancy Inc. to be repaid in 25 years at 3% interest with annual payments ranging from approximately \$28,000 to \$43,000, subject to availability of funds. page 4
8. The Board committed funds to the Town of Brian Head in the amount of \$1.7 million (85%) to be repaid in 18 years at 5% interest with escalating repayments, subject to availability of funds. page 5
9. Funds were committed to Elsinore Town in the amount of \$514,000 (35.6%) to be repaid in 25 years at 2% interest with payments ranging from approximately \$22,400 to \$34,700, subject to availability of funds. page 5
10. The Richfield City and K Ranch LLC applications were withdrawn from further consideration by the Board. page 5

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Thursday, March 20, 2003 at the Crystal Inn, 1450 South Hilton Drive, St. George, Utah. Chair Peterson presided over the 9:00 a.m. meeting.

BOARD MEMBERS PRESENT:

Warren Peterson
Paul Riley
Lucille Taylor
Ivan Flint
Brad Hancock
Harold Shirley

Cleal Bradford and Bill Marcovecchio were absent.

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Eric Klotz, Chief, Water Education/Conservation and Use
Nathan Kennard, Engineer
B.J. Clark, Engineer
Russ Barrus, Engineer
Tom Cox, Engineer

OTHERS PRESENT:

Sherm Hoskins, Asst. Director, Department of Natural Resources
Ron Thompson, District Manager, Washington County Water Conservancy District
Randy Julander, Snow Supervisor, NRCS
Doug Nielsen, Funding Specialist, Sunrise Engineering, Inc.
Rex Ausburn, Branch Manager, Boyle Engineering
Kallee Nielsen, Reporter, Spectrum & Daily News

Bryan Steele, City Accountant, City of Cedar Hills

OTHERS PRESENT CONT'D:

Kurt Fowers, Director, Hooper Irrigation Co.

Theo Cox, Director, Hooper Irrigation Co.

Durk Bailey, Mayor, Hooper City

Robin Bailey, resident, Hooper City

Steven D. Bailey, resident, Hooper City

Fielding & Mary Rice, residents, Hooper City

Janeal Cox, resident, Hooper City

Lee Cammack, Project Engineer, J U B Engineers

Tracy Allen, Project Engineer, J U B Engineers

Randy Randall, Public Works Director, Centerville City

MINUTES
BOARD OF WATER RESOURCES
March 20, 2003

APPROVAL OF THE MINUTES

Paul Riley made the motion, seconded by Ivan Flint to approve the minutes of the January 31, 2003 meetings with suggested changes. The Board agreed unanimously.

CHAIR'S REPORT

Chair Warren Peterson welcomed everyone to the meeting and introduced attendees not involved with project presentations. Chair Peterson thanked Ron Thompson and the Washington County Water Conservancy District (WCWCD) for their hospitality while the Board had been in St. George attending the Water Users Workshop. Mr. Thompson thanked the Board for their efforts and said the Board performs the vital functions of long-term welfare of the state, and the WCWCD supports the Board's efforts.

Chair Peterson reminded the Board of the upcoming changes to take place with four of the Board members – Lucille Taylor, Harold Shirley, Cleal Bradford and him. The Governor will be reappointing or appointing new Board members for the next four years. Director Anderson said it could take place in April or May. Warren Peterson, Harold Shirley, and Lucille Taylor all expressed appreciation for their time spent on the Board of Water Resources.

WATER SUPPLY REPORT

Randy Julander reported snowpack so far in March has been average as far as northern Utah is concerned; southeastern Utah is around 75-85% of average, and southwestern Utah is around 50%. There has been no low elevation snowpack accumulation because January was phenomenally warm and most of it disappeared then. It is predicted the statewide snowpack will be 70-75%.

He said the past couple of years the NRCS has been working hard at getting enough sites for soil moisture monitoring that the whole state can be looked at; they now have 31 sites. Mr. Julander said the whole state is less than 70% projected streamflow with large areas being less than 50% of average. Reservoir storage is decreasing, however the reservoir operators across the state have done a magnificent job. Reservoir levels have been fairly constant until the past four years. Mr. Julander said the state of Utah is now categorized as a D-3 (extreme drought) over the entire state.

FEASIBILITY REPORT

#E099 City of Cedar Hills

Chair Peterson introduced Bryan Steele, city accountant. Tom Cox reported Cedar Hills is requesting financial assistance to construct the remainder of its secondary irrigation system. The project will serve an additional 520 connections in the oldest section of town. The project is estimated to cost \$1.8 million. The city has not yet retained an engineer to prepare plans and specifications and perform construction engineering. Mr. Cox said the city is requesting the Board provide bond insurance in the amount of \$31,200.

Mr. Steele expressed appreciation to the Board for its consideration in their project, however since the total cost of the project will be \$6 million they are requesting the Board provide \$85,000 for bond insurance to cover the whole \$6 million bond instead of the \$31,200 requested in the feasibility report, however they would be happy with the Board's decision.

Tom Cox said developers put in the existing system, built reservoirs and ponds and the city needs to purchase those from the developers before the project can be constructed; the project cost is \$1.8 million and the bond insurance on that portion is \$31,200. The \$85,000 would be for the total \$6 million bond the city would have to take out to pay the developer for what has already been installed plus what is to be installed.

Lucille Taylor asked if bond insurance has been provided in the past to pay for something that has already been done. Dennis Strong said that has never come up before, however the Board has not loaned money for refinancing. Warren Peterson said the bond insurance policy that was adopted in the last Board meeting stated, "Only projects that meet the Board's general funding requirements will be considered for bond insurance." He said if this would not be eligible for loan funding, it would not be eligible for bond insurance.

Lucille Taylor made the motion to grant \$31,200 for bond insurance to the City of Cedar Hills. Harold Shirley seconded the motion and the Board agreed unanimously.

COMMITTAL OF FUNDS

#E060 Hooper Irrigation Company

Chair Peterson introduced Robin Bailey, Steve D. Bailey, Hooper Irrigation Company; Durk Bailey, Mayor of Hooper City; Theo Cox, Kurt Fowers, and Janeal Cox, Hooper Irrigation Company; Tracy Allen, project engineer; and Lee Cammack, J U B Engineers. Tom Cox reported the Board authorized a four-phased pressurized irrigation system to serve agricultural and residential users in the Hooper area.

The irrigation company is requesting financial assistance to construct Phase I of the project which consists primarily of 15 miles of 30 to 4-inch pipeline and appurtenances to serve approximately 550 homes and 900 agricultural acres. Phase I is estimated to cost \$3.150 million. Based on the Board's affordability guideline Hooper residents could pay up to \$53.96 per month for indoor and outdoor water service. With the proposed project in place the average water cost should be about \$45 monthly.

Theo Cox, president of the irrigation company, expressed appreciation to the Board for their consideration of the project. He said if funds are committed they are ready to go with the distribution system. Mayor Bailey expressed appreciation for the Board's consideration and said they're basically out of culinary water. This project needs to be developed so their resources can be utilized.

Lee Cammack said design had been started on the reservoir and pump station (Phase II). He said it should take from 60-90 days to be ready for division staff to review.

Ivan Flint made the motion to commit funds to the Hooper Irrigation Company in the amount of \$2.677 million (85%) to be returned in 25 years at 3% interest beginning at \$110,000 and ending at \$216,000, subject to availability of funds. Paul Riley seconded the motion and the Board agreed unanimously.

#L544 Centerville City

Chair Peterson introduced Randy Randall, public works director. Tom Cox reported the company is requesting financial assistance to improve its culinary water system and sub-drainage system by installing pumping equipment and constructing a building for a well, installing culinary water transmission and sub-drain lines, constructing a booster pumping station, providing stream channel improvements for Parrish and Deuel Creeks, and installing a box culvert on Parrish Creek. The Utah Water Finance Agency loan will be repaid in 15 years at 4.83% interest with the first payment of \$295,000 in 2003.

Ivan Flint made the motion to commit funds to Centerville City in the amount of \$1.142 million (26%) to be repaid in 16 years at 3% interest beginning in 2005, with annual payments ranging from about \$35,000 to \$233,000, subject to availability of funds. Lucille Taylor seconded the motion and the Board agreed unanimously.

#E074 Marion Waterworks Co.

Tom Cox reported the Marion Waterworks Company is requesting financial assistance to improve its culinary water system by constructing a 300,000 gallon storage tank, adding chlorination facilities, and upsizing distribution pipelines. The project is estimated to cost \$400,000.

Ivan Flint made the motion to commit funds to the Marion Waterworks Company in the amount of \$320,000 (80%) to be repaid at 0% interest over approximately 22 years with annual payments of \$15,000, subject to availability of funds. Brad Hancock seconded the motion and the Board agreed unanimously.

#E080 Tooele County

Tom Cox reported Tooele County is requesting financial assistance to drill and equip a culinary water well near Grantsville, tie it to the Deseret Peak Complex (a recreational facility five miles northwest of Tooele City) with about 5 ½ miles of 16 -inch PVC pipeline, install a power line to the well, install a backup generator, and build a chlorination facility. The project is estimated to cost \$2 million.

Lucille Taylor made the motion to commit funds to Tooele County by participating in an interest rate buydown with the market loan to be repaid in 17 years at 5% interest and the \$700,000 (35%) to be repaid concurrently with the market loan in 17 years at 1% interest. Approximate annual payments will be \$7,000 the first year, rising to \$93,000 in the final year, subject to availability of funds. Paul Riley seconded the motion. The Board agreed unanimously.

#E089 Wolf Creek Water Conservancy Inc.

Tom Cox reported the sponsor is requesting financial assistance to expand its secondary irrigation system in Wolf Creek. The expansion will include construction of a new storage reservoir, dredging and lining of an existing reservoir, and installation of approximately 17,000 feet of distribution pipeline and 58 service connections. The project is estimated to cost \$815,000.

Ivan Flint made the motion to commit funds to Wolf Creek Water Conservancy Inc. in the amount of \$611,000 (75%) to be repaid in 25 years at 3% interest with annual payments ranging from approximately \$28,000 to \$43,000, subject to availability of funds. Brad Hancock seconded the motion and the Board agreed unanimously.

#L541 Town of Brian Head

Tom Cox reported the town is requesting financial assistance to upgrade and improve its culinary water system by redeveloping several springs, reequipping a major well, replacing small and leaky pipes, installing new pipelines, renovating existing pressure regulating stations and installing new ones, adding automated chlorination stations, and installing a radio telemetry system. The project is estimated to cost \$2 million. Chair Peterson expressed a conflict of interest.

Harold Shirley made the motion to commit funds to the Town of Brian Head in the amount of \$1.7 million (85%) to be repaid in 18 years at 5% interest with escalating repayments, subject to availability of funds. Lucille Taylor seconded the motion. The Board agreed; Warren Peterson abstained because of a conflict of interest.

#L545 Elsinore Town

Tom Cox reported Elsinore Town is requesting financial assistance to improve its culinary water system by purchasing an irrigation well and water right, reequipping and refurbishing the well to supply culinary water, installing about four miles of 8 to 12-inch distribution pipeline, and adding nine fire hydrants. The project is estimated to cost \$1.444 million.

Lucille Taylor made the motion to commit funds to Elsinore Town in the amount of \$514,000 (35.6%) to be repaid in 25 years at 2% interest with payments ranging from approximately \$22,400 to \$34,700, subject to availability of funds. Paul Riley seconded the motion and the Board agreed unanimously.

SPECIAL ITEMS

#D898 Richfield City

Richfield City requested financial assistance to drill and equip a culinary well and construct a pressurized secondary irrigation system. Since the city has completed the well on its own and shows no interest in proceeding with the secondary system, staff recommends the application be withdrawn.

#D954 K Ranch LLC

The sponsor requested financial assistance to expand its hay production operation by drilling and equipping several shallow irrigation wells and installing pipeline to supply water from them. Since the sponsor now shows no interest in obtaining Board funding, staff recommends the application be withdrawn.

Harold Shirley made the motion the Richfield City and K Ranch LLC applications be withdrawn from further consideration by the Board. Brad Hancock seconded the motion and the Board agreed unanimously.

DIRECTOR'S REPORT

Director Anderson said the plan was to stay in the Provo area for the April Board meeting, but because of BYU graduation it is difficult to find a place to stay in Utah County. Everyone will meet Thursday morning (April 24) at 7:30 a.m. at the Central Utah Water Conservancy District offices for the tour of Diamond Fork, lunch will be provided and then the Board will look at the Provo Reservoir Canal with members of the Provo River Water Users Association. The Board meeting will be held on April 25 in Salt Lake City at the Department of Natural Resources Building.

Director Anderson informed the Board of the latest developments regarding California's failure to sign the Interim Surplus Guidelines.

Paul Riley asked why the difference in interest rates on the various projects and how they are determined. Dennis Strong explained it was because of the Board's guidelines. Staff looks at the median income of the community and determines how much residents can pay for water and then determines the interest rate.

NEXT BOARD MEETING

Chair Peterson reminded the Board the next Board meeting will be at 9:00 a.m. in the Auditorium of the Department of Natural Resources building on April 25. The Board will tour the Diamond Fork project of the CUP on Thursday, April 24.

Meeting adjourned at 10:55 a.m.